

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, AUGUST 2, 1928



Always in the Background - to help

THE competent insurance man serves you equally well in fair weather or foul.

When things go smoothly, his planning and his counsel are equipping you to pilot your craft through the possible storms ahead.

Should trouble arrive he will prove his mettle by prompt and proper application of a service that will satisfy.

He is a man of

action. A practical friend in need. Experienced . . . Capable.

This is the type of insurance man The Employers' Group seeks and finds as its field representative. He is virtually as important in this organization's policy of "the service that satisfies" as the modern,

value-ful policies they issue on practically every type of insurance except life.

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"What Is It and What of It"
This insurance primer gives briefly the whys and wherefores of modern insurance. Your request will place you under no obligation—nor will a representative call unless you so specify.

THE EMPLOYERS' GROUP

Practically every kind of Insurance except Life Insurance

110 MILK STREET

AMERICAN
EMPLOYERS'
INSURANCE COMPANY



BOSTON, MASS.

THE
EMPLOYERS'
FIRE INSURANCE COMPANY

THE
EMPLOYERS'

LIABILITY ASSURANCE CORPORATION, LTD.

There's an Employers' Group Representative in Your Neighborhood

THIS advertisement is a facsimile of that appearing in current issues of the *Atlantic Monthly*, *Harper's*, *Review of Reviews*, *Scribner's*, *World's Work*, and the *Golden Book* — yes, THE EMPLOYERS' GROUP believes in the American Agency system. We believe that such advertising will benefit the insurance business. We believe that it will benefit particularly the representatives of THE EMPLOYERS' GROUP.

We are proud of the growth of our agency force. We are proud of the large number of loyal agents who have been associated with us for many, many years. At the same time we are glad to say that some agency connections are still available for the competent insurance man.



1886 The Statue of Liberty, officially known as "Liberty Enlightening the World," was designed to commemorate the one hundredth anniversary of American independence (1776). It was presented to the people of the United States by the people of France in 1880, placed in position in 1885 and dedicated on October 3, 1886. The colossal bronze statue, executed by Frederic Bartholdi, stands on Bedloe's Island in New York Harbor and is an impressive sight from the decks of incoming liners. The monument is in the form of a female figure holding a torch aloft and is the loftiest statue in the world. The figure itself measures 111 feet and the height over all, including the torch, is 151 feet. The torch, which is equipped with a powerful electric light, is 306 feet above mean tide.

Forty persons can stand within the head which is reached by a staircase inside the statue while a branch stairway leads into the extended arm. The foundation for the massive figure was built by public subscription in this country.

In 1886 the capital stock of the Fireman's Fund was increased to \$1,000,000 and the event was widely heralded as proof that the young California Company had at last reached maturity and was entitled to a place among the great fire insurance companies of the country. In that year its assets were \$2,052,262 and surplus \$380,949.

Fireman's Fund Insurance Company

FIRE, AUTOMOBILE
AND MARINE
INSURANCE



SAN FRANCISCO
CHICAGO NEW YORK
BOSTON ATLANTA

The Fireman's Fund, Home Fire & Marine and Occidental Insurance Company are good companies to represent.



Established 1782.

*A Corporation which has stood
the test of time! 146 years of
successful business operation.*

World-wide interests.

Absolute security.

Excellent Service and Facilities

PHOENIX
ASSURANCE COMPANY, Ltd.
of LONDON

150 WILLIAM STREET

NEW YORK

PHOENIX
INDEMNITY COMPANY

150 WILLIAM STREET

NEW YORK



U. S. Battleship Maine, blown up in the harbor of Havana, Cuba, February 15, 1898



ANCHORED in peaceful waters. Lazily and serenely floated the battleship *Maine*. Convulsed by a sudden and thunderous explosion this blazing coffin sent to the heavens a crimson glow that reflected the blood of the two hundred and more men then dead and dying. This overt act and the already bitter feeling abroad shortly led to the Spanish-American War.

The Home of New York, since its inception in 1853, has been one of the leading companies in insuring against the perils of the sea and indemnifying subsequent losses, both during peace and warfare.

THE HOME INSURANCE COMPANY NEW YORK

1853 1928
THE HALLMARK OF INSURANCE
Seventy Fifth Anniversary Year

The National Underwriter

Thirty-Second Year No. 31

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, AUGUST 2, 1928

\$4.00 Per Year, 20 Cents a Copy

BIG OPPORTUNITY SEEN IN AVIATION'S GROWTH

Agents and Brokers Who First Develop Field Should Expand With It

COMPETITION NOW KEEN

Many Write Air Risks and More Expect to Enter—Premiums Are Big

NEW YORK, Aug. 2.—For the first time since the inception of aviation insurance, it is now stepping forward aggressively and, under the spur of competition, is taking position as one of the formidable side-lines in the insurance family. Various attempts have been made to undertake the underwriting of air hazards, both on property and life. For at least 15 years, companies have come and gone from this field, most of them remaining just long enough to be slightly burned, but none giving the test of time to their experience. Now, however, there are several strong organizations in the field and more are seriously considering entering. They are seeking to develop the business on a sound basis and lend the whole-hearted support of the institution of insurance to the development of aeronautics, which is now only in its infancy.

Opportunity for Agent

At this particular stage in the development, there is a rare opportunity open for the agent or broker who is looking beyond the immediate present. Just as the agent who saw the possibilities of automobile insurance a decade ago and developed a huge automobile department in the face of many early handicaps, the far-seeing agent of today can build for the future in a very substantial way via the air route. Aviation has just begun to spread its wings and its future flight can not now be measured. The opportunity for the agent or broker, brought down to cold facts, may be more clearly measured by reference to the returns to those now devoting attention to this new field. The average premium today is about \$500. That is decidedly worth developing. A few such clients total many of the ordinary fire premium class.

Big Future Is Seen

True, there are not now many such clients available, but with the rapid development of aviation, which is now being evidenced throughout the country, those first in the field will find their prospect list rapidly expanding. Life insurance for such risks alone should prove an attraction. Pilots, passengers and all connected with the flights are even now earnestly seeking life insurance protection. And this protection can now be furnished in some companies for all classes of risks except stunt

(CONTINUED ON PAGE 21)

STATE HAS NO CONTROL OVER ATTORNEY-IN-FACT

COMMISSIONER LOSES CASE

Michigan Supreme Court Overrules Attorney-General and Bars Supervision of Incorporated Managements

LANSING, MICH., Aug. 1.—Michigan has no legal means of controlling the operations in this state of incorporated attorneys-in-fact for reciprocal exchanges except through the extremely limited regulatory power of the insurance department over the reciprocal itself, the Michigan Supreme Court holds in granting a petition of Lansing B. Warner, Inc., of Chicago, for a writ of mandamus to force Commissioner Livingston to issue certificates of authority to the Warner reciprocals, Canners Exchange Subscribers and Warner Reciprocal Insurers.

LICENSES WERE REFUSED

The Warner-operated exchanges lost their licenses in this state last year when, acting on the basis of an opinion rendered by the attorney-general's office, then headed by William W. Potter, who is now a justice of the Supreme Court, Commissioner Livingston refused to permit the reciprocals to do business in this state until their attorney-in-fact obtained a separate license from the secretary of state as an admitted foreign corporation. The same ruling was applied to all other non-Michigan exchanges with a result that, with no further exceptions, the incorporated attorneys-in-fact all obtained separate authorization. The Warner organization, however, which has frequently engaged in litigation in this state, fighting an insurance claim recently to the supreme court, balked at the ruling and mandamus proceedings were instituted.

MAY HELP GENUINE INSURANCE

While department officials were somewhat taken aback by the decision, as they had deemed themselves safe in taking the steps indicated by the attorney-general, they are glad that the situation has been clarified and that there is no legal loophole remaining for contesting the legality of any reciprocal insurance contract on the ground that the attorney-in-fact which negotiated it was not an admitted corporation in this state. Stock insurance men who have followed the circumstances involved in the case believe that the current opinion may eventually react favorably to the cause of genuine insurance in that it exposes so vividly the weaknesses of the present statute touching the admission of non-resident reciprocals. They point out that even Michigan reciprocals do not approve the methods and organization forms of many of their non-resident competitors and that they are willing to come under strict supervision of the Michigan department in order to force a greater degree of regulation upon some of the "at costers" whose practices have not helped the reputation of this type of carrier whose reputation is none too good at best.

Representatives of stock interests are of the belief, also, that they will be able to turn the decision to good account by pointing to it as proof that reciprocal

THIRD LOUISVILLE BANK STARTS FIRE COMPANY

TO BE LOUISVILLE NATIONAL

Latest Entry Backed by Louisville National Bank—Still Another in Process of Organization

LOUISVILLE, Aug. 1.—Although it has been well known in local fire insurance circles for some months that the Louisville National Bank & Trust Co. was planning an insurance department, some local agents denied that such was the case. However, legal notices have now been printed in local papers for the Louisville National Insurance Company, which is to be organized as a fire insurance company under a Kentucky charter. The committee of incorporators is composed of Richard Bean, president of the bank; N. H. Docker and Ben J. Metcalfe, vice-presidents. This company, operating as a Kentucky fire insurance company, will be the bank's insurance department. It is the second bank company and the third local fire company to form here since the first of the year. It is also the third bank owned stock company.

Still another bank-owned company is in process of formation to be operated in conjunction with the Franklin Title & Trust Company. Adolph Reutlinger & Co., Louisville local and general agents, who is an official of the Franklin Title & Trust Company, confirmed reports that the trust company was forming a fire company. He stated that this company will probably have around \$100,000 capital, and will be a subsidiary of the Franklin Title & Trust Company, carrying Franklin somewhere in its corporate title.

One to Start in August

The First National Bank and Kentucky Title Trust Company recently formed the First Kentucky Fire & Marine, which will probably start writing in August. Its reinsurance connections have not been announced as yet. The Liberty Bank & Trust Company for a number of years has operated the Liberty Fire, as a subsidiary.

The other new company, the Louisville Fire & Marine, was recently organized by E. S. Tachau and associates, who operate the E. S. Tachau & Sons agency.

The First Kentucky Fire & Marine, made application to the Louisville Board some weeks ago for membership. The new Louisville National Fire & Marine will probably also make application for membership in the board.

Frank Bosler of the insurance department of the Fidelity & Columbia Trust

(CONTINUED ON NEXT PAGE)

managements fear and abhor regulation and that these attorney-in-fact corporations, organized wholly for profit, are permitted by such lax laws to extend the operations of a reciprocal indefinitely, merely that they may glean the profits from enlarged volume, while the real managements go unregulated by state governments and have no financial responsibility to the subscribers they are supposed to serve.

MORE FOREIGN TRADE NEEDED, SAYS STURM

Greater Consuming Capacity Must Be Formed for U. S. Products

REPORT SHOWS DECREASE

America Fore Companies' Official Urges Protection by Domestic Companies for International Trade

NEW YORK, Aug. 1.—In the opinion of Ernest Sturm, chairman of the board of the America Fore companies, "the time has come when the future prosperity of the nation will depend largely on our ability as international traders." In recent years, Mr. Sturm said that the prosperity in this country has been so general and the volume of business transacted in many lines of such record-breaking proportions, that scant attention has been paid to the development of foreign trade, a condition that should no longer be allowed to exist.

"Our foreign commerce has kept at a reasonably high level, yet the report for the 1928 fiscal year, just issued at Washington, shows that our exports were nearly \$100,000,000 less than those of the 1927 fiscal year ended June 30," said Mr. Sturm, whose statement was prompted by a survey of present conditions, and the companies' experiences in connection with the insuring of cargoes bound for Europe and other continents.

NATIONAL POLICY NEEDED

"Our foreign trade," he went on, "should be energetically fostered by a definite national policy, for the day has arrived when we are faced with the need for greater consuming capacity to take care of our augmented producing capacity and an over-sold America must dispose of more goods in the overseas markets in competition with our foreign neighbors in order to maintain our level of manufacturing and employment at home."

"We must develop an international psychology so as to become able international traders, and this statement applies to everyone, including farmers and business men of the interior states, who have naturally less contact with the visible evidences of export activity than the people of New York, San Francisco and other coastal cities, and are therefore less interested in such trade."

LARGE CREDITOR NATION

"The post-war conditions that have developed in the United States were discussed some years ago by the late president of this company, Henry Evans, whose words have proved to be singularly prophetic. He declared that the United States after the conflict would probably become the largest creditor nation of the world with the greatest resources and the greatest producing

(CONTINUED ON PAGE 21)

PLANS FOR GRAND NEST MEETING INCLUDE GOLF

ASKED TO SEND IN ENTRIES

Ganders Invited to Participate in Quebec Pond's Field Day on August 30

MILWAUKEE, Aug. 1.—The international golf match and the annual field day of the Quebec pond are two outstanding athletic events for the Grand Nest meeting of the Blue Goose at Montreal, Aug. 28-31. Details for both have been announced by Grand Wielder Paul E. Rudd.

The golf match will be held on Aug. 28. In connection with it, an 18-hole medal play tournament has been arranged for all members who may wish to play. Prizes are to be awarded for first and second low net in classes A and B. Class A will include those with a handicap of 18 and under and the ganders who have a handicap over 18 will be placed in Class B.

Dinner Follows Match

An informal dinner will follow the match, at which the prizes will be presented. The entry fee is \$5 per person, which will cover the entire cost of the day. Motor transportation is to be provided for everyone and further details will be available later.

The ganders who desire to play are asked to send their names together with check for \$5 and club handicaps, not later than Aug. 20, to C. H. Hanson, resident chairman, Room 702, 465 St. John street, Montreal.

The field day of the Quebec pond is always the occasion for a gala affair in Blue Goose activities in Canada, and this year the Quebec pond ganders felt that it ought to be included in the program of Grand Nest activities. They have opened it to all visiting ganders and their families, instead of confining it to their own pond members.

Fourteen Events on Program

Fourteen events are on the program and the meet will start at Westmount on Aug. 30. A trophy donated by the Quebec pond is held by the office scoring the highest aggregate points.

All those who desire to participate in the field day are asked to mail their entries in time to reach Montreal not later than Aug. 27. They should be addressed to C. S. Virtue, Employers' Liability, Insurance Exchange Building, St. James street, Montreal.

Brandt & Co. U. S. Managers

W. B. Brandt & Co. of San Francisco have been appointed United States managers for the Pacific Coast Fire of Vancouver, according to T. W. Greer, who is now covering the key cities of the Pacific Coast. The Pacific Coast Fire is an old established company and entered the United States some three years ago, naming McCollister & Campbell of Seattle as United States managers.

THIRD LOUISVILE BANK STARTS FIRE COMPANY (CONT'D FROM PRECEDING PAGE)

Company, when asked regarding rumors to the effect that that company would organize a subsidiary fire insurance company, to replace its present insurance agency, stated that the matter had been discussed, but that nothing definite had been decided upon. He said the organization planned to operate in whichever way it could make the most money, and would like to be in position where it would be in harmony with the Louisville Board. However, he also remarked that before anything would be done the matter would have to be discussed with President Neal Bassett of the Firemen's of Newark, as that company put the Fidelity & Columbia in the insurance business.

AGENCY COMMISSIONS ENTER TEXAS POLITICS

COUSINS' SPEECH AN ISSUE

Letter Signed by 80 Agents Refutes Misrepresentations of Official's Remarks at Convention

DALLAS, Aug. 1.—Political opponents of Governor Dan Moody of Texas attempted to make capital out of the speech delivered by Commissioner R. B. Cousins, Jr., at the annual meeting of the Texas Association of Insurance Agents in June. In that talk Commissioner Cousins stated that the absolute limit in insurance agency costs has been reached. He compared the local agents to the corner grocers who are being put out of business by the chain stores. He said agency costs now are as high as the public ought to be required to pay and they are in his judgment as high as the public is going to be willing to pay. He declared that schemes of wholesale insurance, like the famous Chrysler plan, will be devised to attempt to avoid the agency costs and he asserted that mutual insurance would encroach seriously upon stock company insurance if the agents permit the cost of the insurance which they now sell to the public to be made up too largely of their share of the premium.

These remarks have been used by one of the candidates for governor in an effort to injure Governor Moody, who was renominated in the Democratic primary last Saturday, with the insurance agents. However, 80 prominent local agents and seven general agents have come out with a letter which has been sent to the 7,000 insurance agents in the state, in defense of Mr. Cousins. They declare his address has been misrepresented and that he did not advocate doing away with local agents, he did not claim they were overpaid, and did not contend they should be paid by the assured or that the acquisition cost should not be a part of the rate. Charges of extravagance in the insurance department and in regard to the fixing of the salaries of

ATTEMPT TO OFFSET STATE FUND SCHEME

MOVE MADE IN PENNSYLVANIA

Insurance Federation Calls a Conference of Insurance Interests to Consider Handling Public Property

PHILADELPHIA, Aug. 1.—To offset the reported move in Pennsylvania to seek legislation at the next session sanctioning the creation of a state fund for insuring all public school property within the commonwealth, the Insurance Federation of Pennsylvania has prepared a plan for covering property of such character, as well as churches and public buildings, which it will submit at a special meeting to be held at Philadelphia Aug. 13. Local agents and representatives are invited to attend the conference. It is assumed the present agitation for the creation of a state insurance fund is a direct outgrowth of the recent court decision prohibiting the insuring of the Erie public schools in mutual companies.

Aetna Fire Wins "Ad" Award

The Aetna Fire group, composed of the Aetna, World Fire & Marine and Century Indemnity, has been awarded third prize in the contest staged by the "Credit Monthly" for advertisements that appeared in that publication in the year from May, 1927, to May, 1928. "Credit Monthly" is one of the best known national business magazines and is published by the National Association of Monthly Credit Men. The contest was open to all advertisers taking space in the magazine during the year mentioned.

the three members of the insurance commission are also refuted.

The charges that have been made by the rival candidate are not explicitly stated but in a number of points misrepresentation is alleged and the correct facts are given.

CONDENSED NEWS OF THE WEEK

Two more Louisville banks organize their own fire insurance companies.

Page 3

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Michigan Supreme Court holds that state has no control over attorneys-in-fact of reciprocals.

Page 3

E. B. Hatch, secretary of the Western Union, is dead.

Page 5

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National Association of Insurance Agents announces plans for its five-year development program.

Page 7

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Much interest in the effort of the Washington insurance commissioner to suspend company licenses because they have filed too low rates.

Page 7

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Commissioner Wells of Minnesota holds hearing on new dwelling rates recently put into effect in that state.

Page 13

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Vice-President E. M. Allen, National Surety, speaks on changing business conditions.

Page 8

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Texas agents defend Commissioner Cousins against alleged misrepresentation of his views in political campaign.

Page 4

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Plans for the grand nest meeting of the Blue Goose are being made.

Page 4

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E. D. Lawson of Chicago is elected vice-president of William H. McGee & Co., the marine firm of New York.

Page 7

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Some casualty officials feel that plans should be worked out to save the larger premium plate glass risks.

Page 39

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The Bituminous Casualty Corporation has been licensed to take over the business of the Bituminous Casualty Exchange.

Page 37

Ernest Sturm urges the need for more international trade.

Page 3

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Establishment of Miami branch office by Public Fire is being watched with interest.

Page 5

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Insurance Federation of Pennsylvania calls a meeting at Philadelphia to consider a plan for insuring public property.

Page 4

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Fidelity & Deposit publishes booklet on "Public Official and Depository Bonds."

Page 39

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National Bureau rescinds suspension rule on auto liability adopted some months ago and returns to 1927 rules.

Page 39

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Written pledges are now being secured from companies in approval of new acquisition cost agreement in Chicago.

Page 38

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General decrease in plate glass rates made by National Bureau.

Page 37

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Speakers announced for annual meeting of Health & Accident Underwriters Conference.

Page 44

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H. S. Robinson, vice-president of the Pennsylvania Surety in charge of underwriting, has resigned.

Page 38

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June proves poor month for casualty business.

Page 37

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Contingent automobile liability scope has been broadened.

Page 38

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Casualty officials anticipate an increase in automobile liability rates in Massachusetts in 1929.

Page 37

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Fidelity & Deposit opens branch office at Atlanta to handle territory in the southeast.

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NICOLL SEES NEED OF GREATER EDUCATION

MORE PREPARATION NEEDED

General Manager of the Scottish Union & National Shows Desirability of Better Training

James G. Nicoll, general manager at the head office of the Scottish Union & National, has been elected president of the Chartered Insurance Institute, which is the highest honor one may receive from the insurance fraternity in Great Britain. At the recent banquet held at the Guildhall, London, in connection with the proceedings of the annual conference of the institute Mr. Nicoll spoke of this great organization, the seed of which movement was planted more than 50 years ago. Local institutes have been formed in most of the important centers and were welded in a federation which became the Chartered Insurance Institute.

The aim of the founders was the uplifting of the students of insurance, which Mr. Nicoll stated could only be attained by a thoroughly efficient system of education. He stated that it was realized that the education which is gained by diligent attention to one's daily duties, valuable as it is, would not suffice. Mr. Nicoll said in his address:

"It is doubtful, however, whether the pioneers, sound as were their principles, could have possibly visualized the tremendous and far-reaching changes which have taken place and which have necessitated a wider and more profound knowledge than was called for in the old days.

"They had before them the examples of law, medicine, and accountancy, which cannot be practiced by the unqualified. The examinations they initiated had for their object the separation in the ranks of insurance officials those who by study and application placed themselves in a class apart from others who were content to get through the day by attending to their own particular duties. We have gone a long way since then. In looking back some years it is amazing to know how conditions have changed.

"Before the cohesion of the local institutes the most ambitious in our business were provided with facilities which were poor indeed in comparison with those now within reach of all. Thus the studious had little opportunity of following his bent, for works of reference were practically non-existent, so that for him the road to success was hard and besprinkled with difficulties. All that is changed.

Facilities Are Greater

"For the last 30 years there has been a different spirit and an altered outlook in our ranks. Clever men, a succession of them, have placed on record experiences which represent the fruit of long years of arduous toil, so that there is now an extensive and most valuable library of insurance literature open to every one. This is by no means all, for the system of classes and of examinations has so developed from the original simple tests that the student, no matter how brilliant he may be, cannot hope to emerge successfully from the ordeal unless he be plenteously endowed with the sterling qualities of industry, energy, and application.

"One of the brightest and most heartening signs for the prosperity of this country is that in a world distraught with perplexing problems arising out of post-war conditions as regards social unrest and loss of trade, one of the brightest prospects is an all-round endeavor to cope with the new conditions to meet competition, an endeavor which finds expression in specialized forms of education, so that no matter what a man's trade or occupation may be, he has now opportunities for becoming a thorough master of his work."

DEATH OF E. B. HATCH IS DEEPLY REGRETTED

Served for Many Years as the
Secretary of the West-
ern Union

HAD CHARGE OF DETAILS

Many Company Managers and Officials
Were Honorary Pallbearers at His
Funeral Tuesday

The western fire insurance fraternity was shocked to learn of the death of Edward B. Hatch, secretary of the Western Union, at his home in Chicago Saturday afternoon. But few realized that Mr. Hatch's condition was grave. He had been absent from his office some six weeks. Mr. Hatch for the last year or so had suffered off and on with what developed into angina pectoris. During the last few months he had been subject to pain and had two ominous attacks. His heart had been in bad shape for some years. However, he was ever optimistic and buoyant. To the outside world he was ever the same. During the last three weeks Mr. Hatch had become worse, finding it difficult to get any repose. He was given the best care and died probably from exhaustion after fighting his malady.

Started With Western Union

Mr. Hatch became connected with the Western Union office Oct. 5, 1896, going with the automatic sprinkler department when Robert Jardine was the head of it. When Thomas C. Goodman retired as editor of the "Bulletin," Mr. Hatch took over that work. The Western Union entirely revolutionized its form of government in 1897, creating the governing committee which took charge of all its activities. Walter W. Dudley, who had been United States manager of the Manchester, was made secretary of the governing committee and was placed in charge of the Western Union office.

Mr. Hatch Was Made Assistant

Following the death of Mr. Dudley, Mr. Hatch was elected secretary of the governing committee July 2, 1909. The secretaryship of the Western Union itself had always been held by some member. It was decided at the annual meeting in September, 1912, to have Mr. Hatch act as secretary of the organization and he filled that position ever since.

Had Other Positions

In addition to his work with the Western Union he was secretary of the Farm Insurance Association, assistant secretary of the Rain & Hail Insurance Association and with Rudolph Belcher, general manager of the Western Insurance Bureau, was attorney-in-fact for the Grain Insurance Association.

The funeral services were held at the Rosehill Cemetery chapel Tuesday afternoon. W. W. Kirtland, first reader of the Seventh Church of Christ, Scientist, conducted the services. Mr. Hatch was an ardent Christian Scientist and was first reader in this church some 10 years ago. The active pallbearers were: Dean H. Dresser, assistant western manager, National Fire of Hartford; E. H. Born and H. W. Chesley of the Western Union office; W. S. Boyd, electrical inspector of the Western Union; Charles Rose of the Western Actuarial Bureau; E. T. Wigton, manager of the Grain Insurance Association.

Honorary Pallbearers

The honorary pallbearers were John C. Harding, Springfield, chairman of the governing committee of the Western

"WHAT IS FIREPROOF" INTERESTINGLY ASKED IN "HARTFORD AGENT" ARTICLE

WHAT is Fireproof" is the title of an interesting article in the July "Hartford Agent" which shows the example of the destruction of the Back Bay railway station in Boston as proof of what may happen to so-called "fireproof" structures when a fire really gets going. The article is of such general interest that it is reprinted below:

The recent total destruction of the Back Bay railway station in Boston offers the insuring public one more example of a "fireproof" building gone wrong. The station cost nearly \$1,000,000 in 1899 but was insured for only a quarter of the amount, as it was considered entirely safe from the ravages of fire.

When Vice-President Russell of the New York, New Haven & Hartford Railroad saw the tangled masses of steel, concrete, brick and stone looking as though there had been a severe earthquake, he exclaimed, "Whoever thought a fire could do that?"

Editorial in Newspaper

"Who indeed?" echoed the editorial in the Boston "Post." "When the structure was reared in 1899, it was intended to be and believed to be fireproof. And so, so far as its outer shell was concerned, it was. Bonfires could have been started all around it, and, if windows had been shuttered, little harm

would have come to it. It was the interior stuffing, so to speak, that proved its undoing.

"It is the official belief that the fire started in the station's waiting-room. There the wooden sheathing, panelling, stands and other inflammable stuff gave the flames just the sort of food they wanted. And there must have been more material that would quickly burn in other parts of the building. One look at the wrecked structure shows that clearly enough.

Could Add Paragraph

"All this suggests the question: What is 'fireproof'? A frame may be that, considered by itself. But even such construction is not fireproof if its interior is partly filled with wooden finish and a lot of other things that will catch fire quickly and burn with terrific heat. The new Boston and Maine station, we understand, is to be noninflammable in every detail, as all modern types now are."

Any fire insurance agency could add an interesting paragraph to that editorial if he merely listed a few of the names of other famous "fireproof" buildings and told the stories of their untimely ends, the Equitable and Park Row buildings in New York, and the Merchants Exchange building in San Francisco, for example; also Burlington Railroad office building in Chicago.

Union; W. L. Lerch, Royal; W. B. Flickinger, North America, vice-president Western Union; A. F. Powrie, Fire Association; Fred B. Luce, Providence-Washington; W. H. Lininger, Springfield; E. A. Henne, America Fore; C. R. Tuttle, North America; W. P. Robertson, Alliance; C. R. Street, Great American; George H. Bell, National Fire; F. P. Hamilton, Queen; J. V. Parker, Western Actuarial Bureau; C. W. Higley, Hanover; A. G. Dugan, Hartford; H. A. Clark, Firemen's; W. D. Williams, Security; C. N. Gorham, American; Elwin W. Law, Royal; J. R. Wilbur, America Fore; W. L. Steele, Niagara; J. M. Thomas, Fire Association, president Western Union; James S. Mahin, American Association of Electrical Inspectors.

Mr. Hatch's Career

Mr. Hatch was born at Friendship, N. Y., July 6, 1865. When he was a lad his folks moved to Cedar Falls and later Waterloo, Ia. He went to Chicago when he was about 14 years of age. He entered the employ of the western department of the old Liberty Fire of New York of which Charles E. Van Voorhis was manager.

Mr. Van Voorhis later became the chief auditor of the Hartford Fire in the west. The Liberty Fire reinsured and on Jan. 1, 1892, Mr. Hatch became an examiner in the western department of the National Fire of Hartford. At that time Sherwood D. Andrus and E. R. Ely were the only examiners.

He is survived by Mrs. Hatch, a son Edward B. Hatch, Jr., who is connected with the General Inspection Company at Minneapolis and a daughter Ruth D. Hatch. Edward Hatch, Jr., is a graduate of Armour. His father a few days ago became a grandfather through the birth of a child to Mr. and Mrs. Hatch, Jr.

Was Loyal to Cause

Mr. Hatch had been with the Western Union so long a time and was so familiar with its workings that he was invaluable in his position. He was a man of even temperament, was diplomatic, knew when to say anything and when not. He was faithful in all his relationships. Never a person said a word in his disfavor. He was square as a die. In later years Mr. Hatch became

interested in taking and developing moving pictures. He delighted in exhibiting them to his friends, especially when they were in them.

President Thomas' Tribute

President John M. Thomas of the Union in announcing Mr. Hatch's death officially to members said:

"With deepest regret announcement is made of the passing of Secretary Hatch. In making grateful acknowledgement of his many years of loyal, conscientious, intelligent service we also record our affectionate regard and esteem for him as a personal friend and co-worker. The loss to the Union is irreparable."

Western Bureau Delegation

The Western Insurance Bureau appointed an official committee to attend the funeral of Mr. Hatch, it consisted of Charles N. Gorham, American; Walter D. Williams, Security; H. A. Clark, Firemen's; C. H. Yunker, Milwaukee Mechanics; Frank S. Danforth, Millers National; Benjamin Auerbach; F. S. Schad, assistant manager of the Bureau.

GIBERSON TO FOREGO ALL OFFICIAL ACTIVITY

J. A. Giberson of Alton, Ill., who is a member of the executive committee of the National Association of Insurance Agents and who prior to this administration served as chairman of the finance committee for a number of years, in a letter to THE NATIONAL UNDERWRITER declares that at the end of this year he has decided to retire entirely from any official connection with the National association and the executive committee. Mr. Giberson undoubtedly feels that he has contributed all that he should toward the organization. His is a one man agency. He has been most generous in giving time, money and effort to the good of the case. Mr. Giberson was spoken of as a possible candidate for chairman of the executive committee in the event that W. E. Harrington, the present president, decided not to accept another term and R. P. DeVon, the chairman of the executive committee, is advanced to the presi-

PUBLIC FIRE'S BRANCH CAUSES MUCH INTEREST

State Agent Gives Basis of Operation for Miami Office

S. E. U. A. OBSERVES PLAN
Dade County Association Passes Resolution Condemning Practice of Writing Through Branch Offices

NEW YORK, Aug. 1.—Though not exercised in the matter, companies holding membership in the Southeastern Underwriters Association as well as local agents throughout the territory within its jurisdiction are considerably interested in the recent establishment by the Public Fire of Newark (a non-affiliated organization) of a branch office at Miami, Fla., and its reported intention to open additional offices of like character elsewhere in the south.

The action by the Public Fire followed its retirement from the Stembler agency, the leading office of its kind in Miami, after a number of other companies in the agency announced very positively their purpose to withdraw should the non-association company remain. A somewhat similar situation developed a short time previously at Tampa.

Basis for Operation

The basis on which the Public Fire proposes to conduct its branch office at Miami was made clear to the Dade County Association of Insurance Agents by R. C. Bachman, Florida state agent for the company, through this memorandum:

"This office will function only on offerings from insurance agents licensed by the insurance department. It will accept no business whatsoever under any circumstances at any time from property owners, solicitors or local brokers who now have their business handled by local agents.

"Every transaction between agent and this brokerage office will be held in strictest of confidence. Expirations will remain the sole property of the agent who placed the business with this office. We will agree definitely not to solicit direct any expirations in this office. Balances will be cared for on the same basis as other companies are now operating.

Adhere to Regular Rates

"Rates will be made and premiums promulgated by the local agent though it is distinctly understood that the regular tariff rates will be adhered to. Special agents will check these rates at time of inspection and if it is found that any rate has been deliberately cut no further business of any kind will be accepted by this office from the local agent responsible for the deviation in rate.

"It is further our intention not to deviate from the forms now in use by other companies doing business in offices of members of the local board. Our basis of compensation will be that of the graded form and depending strictly on classification.

Underwritten Direct

"In submitting business the forms and endorsements in triplicate are prepared by the local agent and presented to this office and we in turn prepare and complete the policy, having it signed by the state agent for the company itself. Each policy will be immediately sent to the agent. He will place his sticker on the outside of the policy and it is ready for delivery to the assured in the usual manner.

(CONTINUED ON PAGE 20)

"WORLD-WIDE"



ANNOUNCING the most Liberal golf coverage ever allowed

GOOD News. Just as good for the agent as for the golfer: Here is the world's most liberal golf policy.

The "World-Wide" Golf Policy is liberal in scope, applying in any part of the world! It is liberal in its limits, which are higher than ever before allowed. It is liberal in coverage, protecting against loss of life, accident liability, property damage, fire, theft, and other dangers, all in one policy.

All of which means that it yields a liberal profit to the agents of this company!

Golfers (most of the men on every agent's books) are waiting for a policy like this. Another big source of specialty business for the agents who "Tell Them and Sell Them."

This comprehensive policy is issued in collaboration with The Globe Indemnity Co.

**THE LIVERPOOL
AND LONDON
AND GLOBE
Insurance Co. Ltd.**

Executive Offices: 1 Pershing Square
Park Ave. at 42nd St., New York, N.Y.

Pacific Coast Dept., San Francisco

80th
Year in the
United States

THE NATIONAL INSTITUTION WITH A WORLD WIDE BACKGROUND

PRELIMINARY RETURNS ON CHICAGO PREMIUMS FOR YEAR ENDING JUNE 30

PRELIMINARY returns on fire insurance premiums written in Chicago for the year ending June 30, 1928, as reported to the city controller's office for tax purposes, have been compiled. All the companies have not reported and some reports are incomplete. These figures and those for the preceding two years follow:

	Year Ending June 30		Year Ending June 30
Maryland	1928	1927	1926
Mass. F. & M.	59,561	49,906	40,921
Mechanics	35,571	47,239	46,656
Mech. Mut., R. I.	197,428	187,632	.....
Mercantile	2,377	2,139	2,428
Mechanics, Pa.	138,665	99,249	120,299
*Merchants, Colo.	117,504	.....	.....
Merchants, N. Y.	16,777	7,032	6,067
*Merch. & Mfrs.	86,182	307,056	317,841
Merc. Mut., R. I.	5,390	.....	.....
Mercury	14,315	4,821	7,039
Merrimack Mut.	39,718	47,277	47,617
Metropolitan	1,028	750	571
*Mich. Com. Und.	19	.....	.....
Mich. F. & M.	113,131	93,797	74,465
Mill. Mut., Tex.	12,974	8,722	9,118
Mill Owners	29,694	32,208	26,316
Milwaukee Mech.	270,766	280,022	251,278
*Minn. F. & M.	18,490	15,491	13,017
Minn. Impl. Mut.	3,434	6,174	2,999
Mohawk	17,800	.....	.....
Narragansett Mut.	3,291	676	3,409
Nat.-Ben. Frank.	136,665	95,660	126,864
Nat. Guar.	6,463	.....	.....
Nat. Imp. Del. Mut.	196	311	691
Nat. Liberty	250,779	267,314	259,716
Nat. Mut. Pa.	871	1,486	1,391
Nat. Pet. Mut.	1,361	1,418	800
Nat. Security	145,064	112,481	75,091
*Nat. Union	135,955	163,509	211,378
Newark	173,426	259,916	231,176
New Brunswick	40,900	15,398	15,286
New Hampshire	113,924	123,778	115,982
New Jersey	14,237	13,112	15,812
*New York Fire	7,739	11,265	28,481
*N. Y. Equit. Und.	49,682	.....	.....
*N. Y. Und.	182,132	142,552	165,200
Niagara	168,589	179,518	180,622
Niagara-Det. Und.	92,749	112,222	108,130
North Amer.	729,844	730,824	671,084
N. British & Merc.	267,044	211,504	236,585
N. C. Home	2,008	1,924	7,382
North River	122,055	161,764	113,014
*Northern, N. Y.	165,960	137,300	118,410
*N. W. F. & M.	10,894	12,532	10,140
N. W. Mut.	21,206	18,879	18,069
Norwich Union	141,026	117,327	115,389
Ohio Farmers	47,122	49,360	69,310
Ohio Hdw. Mut.	802	517	364
Ohio Mutual	998	1,099	1,378
Ohio Und. Mut.	2,662	2,483	2,365
*Old Colony	61,088	76,551	58,901
Orient	250,863	252,750	264,810
Pacific	119,953	143,944	82,865
Palatine	39,170	153,504	157,509
Pawtucket Mut.	4,165	3,997	6,955
Pennsylvania	265,494	161,096	169,428
Pa. Millers Mut.	8,342	7,273	6,623
Penn. Nat. Hdw. M.	59	.....	.....
Peoples Nat.	19,881	48,885	55,514
Philip F. & M.	182,130	186,007	155,455
Philip Mfg. Mut.	8,306	12,740	11,186
*Pittomo	34,879	45,559	23,508
Prev.-Wash.	149,758	144,920	132,611
Provident	4,493	20,289	53,981
Queen	223,004	265,745	175,825
Reliance	157,716	173,202	141,917
Republic	56,015	39,495	23,676
Ret. Hdw. Mut.	2,922	2,781	1,326
R. L. Mutual	3,961	3,566	4,047
Richmond	51,373	72,493	54,588
Royal	465,118	648,648	673,657
*Royal Exch.	164,251	78,278	133,872
Rubbel Mf. Mut.	6,289	7,999	8,285
Safeguard	43,681	54,140	53,014
St. Paul F. & M.	241,033	284,842	256,000
*Springfield	128,834	432,850	410,896
*Standard, Conn.	116,140	76,283	74,362
Standard, N. J.	97,310	109,413	87,119
Standard Mut.	2,624	2,899	1,539
Star	136,520	91,414	103,247
State Asur.	19,111	25,072	18,683
State Mut., R. I.	4,754	4,273	4,856
State, Pa.	127,818	132,076	157,063
Stuyvesant	58,064	55,480	44,613
Superior	58,258	59,835	55,208
Sven	69,976	70,195	59,396
Transcontinental	71,702	.....	.....
Travelers	127,773	127,972	98,215
*Union Eng.	23,923	85,978	174,848
*Union, France	92,098	52,145	25,435
Union Mut., R. I.	381	.....	.....
United M., Mass.	9,111	5,653	4,111
U. S. Fire	182,798	154,735	121,906
Universal	9,226	.....	.....
U. S. Merc. & Sh.	41,118	76,412	69,073
Urbaine	63,809	71,631	57,220
Victory	104,039	81,665	100,473
Va. F. & M.	72,101	73,694	70,375
*Washington, N. Y.	26,056	28,546	20,907
Westchester	220,441	243,824	241,249
Western Assur.	76,741	48,908	55,414
*Western, Kan.	1,671	.....	.....
What Cheer Mut.	5,654	8,643	7,869
Wheeling	14,281	13,210	5,344
Worcester, M. M.	578	4,412	9,291
World F. & M.	125,293	177,130	146,811

*Figures not complete.

MICHIGAN RULING ON RECIPROCAL POLICIES

The bulletin of the Michigan Association of Insurance Agents states that the governing committee took up with the Michigan insurance department the matter of individuals with undisputed financial ability offering personal guarantees for a reciprocal exchange. The insurance department replied as follows to the Michigan association:

"The matter which you bring up has been brought to the attention of this department at various times and it has not been considered necessary to get an opinion of the attorney general. No individual can guarantee the policy of

a reciprocal insurance exchange without violating the statutes of Michigan. If you can furnish us with copies of such a guarantee we will be pleased to proceed against the individual or individuals under the Michigan statute prohibiting issuance of insurance contracts in an unauthorized manner."

Will Speak at Michigan Meeting

President W. Eugene Harrington of the National Association of Insurance Agents will be one of the speakers at the annual meeting of the Michigan association to be held at Muskegon Sept. 12-13.

Insurance Commissioner Charles D. Livingston of Michigan will also be one of the speakers at the Michigan meeting.

PLAN FOR FIVE YEARS IS NOW DETERMINED

National Association of Insurance Agents Works Out Course of Action

HAS A DEFINITE GOAL

Will Give the Organization a Concrete Program for Effort During a Stipulated Period

In view of the fact that the officers, except the secretary, and members of the executive committee of the National Association of Insurance Agents change more or less each year, it was thought best to work out a five-year development program so that there would be a more continuous policy in the work of the organization. The executive committee has now drawn up a plan for the five years linked up with the 1927-8 constructive program. This will give the organization a concrete course to follow.

Membership Increase 10 Percent

The National association finds that the foundation upon which the whole program rests is membership. It is determined to have a 10 percent increase each year. The membership is now 10,800, the largest in its history, representing an increase of 15 percent this year. Furthermore, the organization decided on a coextensive membership with local boards and state associations. Many local boards are now requiring that their members be restricted to members of their state association before eligible. More attention is being given to the organization of local boards.

Public Relations Work

The committee on public relations already has key men ready for action who can carry the message of insurance to civic clubs and business organizations and will respond to any reasonable appeal for help.

The better business methods program is complete. It has brought out the fact that agency costs are not excessive and it also has devised a complete set of simplified office forms. The plan for the five years is as follows:

1927	I. 1928
1. Ten Percent Membership Increase.	
2. Coextensive Membership Plan.	
3. Local Board Organizations.	
4. Introduction of Key Men.	
5. Introduction of Better Business Methods.	
6. Introduction of Automobile Identification Certificates.	
7. Introduction of Cooperative Advertising.	

1928	II. 1929
1. Ten Percent Membership Increase.	
2. Following Through on I Year's Work.	
3. Perfecting Organization of Key Men.	
4. Introduction of Public Relations and Education Program.	
5. Cohesion of Our Agency Organizations.	
6. Reestablishment of Company-Agency Loyalty.	
7. Development of Business Building Helps for Members.	

1929	III. 1930
1. Ten Percent Membership Increase.	
2. Following Through on I and II Years' Work.	
3. Complete Survey of Production Costs.	
4. Selling Organization to the Public.	
5. Enlarging Work with Chamber of Commerce of U. S.	
6. Extension of "Members Only" Service.	
7. An Enlarged Bulletin Program.	

1930	IV. 1931
1. Ten Percent Membership Increase.	
2. Following Through on I, II and III Years' Work.	

RURAL WINDSTORM AND FIRE LOSSES ARE HEAVY

"EXODUS NOT ENDED," CLAIM

Company Representatives Report That Sale of Combination Policies Is Increasing Steadily

Representatives of companies writing farm business report that both fire and windstorm losses have been heavy this year, with windstorms developing a larger loss total than fire despite that few real tornadoes have occurred this year. Conditions in the farm field are such, in fact, that a representative of one of the oldest and strongest companies in the business gave it as his opinion that "The exodus out of the farm business is not finished yet."

Farm agents, who as a group are superior insurance salesmen, are turning a steadily increasing volume of combined fire and tornado business, and sale of the hail extension is also increasing. One company man reports that sale of the combined policy has advanced to such an extent that there no longer is need of much sales preaching. Farm agents know they do their clients, their companies and themselves the best service when they sell the combined policy and therefore no longer need much urging. Sale of the hail extensions is a bit slower, but educative work in this matter also is bearing fruit.

Indiana, Kentucky, Arkansas and Tennessee have developed a large proportion of the year's total of windstorm losses, but in many other states wind losses have been paid in large totals. However, by this date last year more destructive tornadoes had struck than have struck this year. That fact is cited as the principal reason why farm fire losses have not kept yet farther behind windstorm losses this year.

President Bailey on Vacation

C. Weston Bailey, president of the American of Newark, accompanied by Mrs. Bailey, left July 26 for Cedar Island on Lake Champlain. From there they will motor to New London and visit their son who is spending the summer at Camp Sunapee on Lake Sunapee. Mr. Bailey is expected back at his desk Sept. 4.

Beggs on Wisconsin Trip

W. J. Beggs, vice-president of the Western Fire of Fort Scott, Kan., has been taking a trip through Wisconsin. The Western Fire has recently entered the state. It will make some appointments in Wisconsin. It is a Western Union company.

Promotions in Stuyvesant

Raymond Faith and William Nolan have been appointed assistant secretaries of the Stuyvesant. Mr. Faith is head of the automobile department and Mr. Nolan has charge of the underwriting in the New York City department. H. Edward Dilkey, vice-president of the Stuyvesant, has been elected vice-president of the Industrial Fire of Akron, its running mate.

3. Extension Public Relations Program.
4. Public Recognition of Association Emblem.
5. Working with American Trade Association Executives.
6. Certified Membership Standard.
7. Delegated Representation in Conventions.

1931	V. 1932
1. Ten Percent Membership Increase.	
2. Following Through on I, II, III and IV Years' Work.	

3. A new Built-in Program.
4. Integration of Certificate Holders.
5. Creation of General Insurance Council.
6. Recognition and Adoption of Arbitration.
7. National Insurance Reconciliation.

LAWSON MADE OFFICIAL OF W. H. MCGEE & CO.

HAS MADE A FINE RECORD

Established Office for Western Business for His Firm at Chicago in 1923

NEW YORK, Aug. 1.—William H. McGee & Co., the well known marine firm, announce that Edward D. Lawson, in charge of the Chicago western office as correspondent, has been elected a vice-president of the incorporated firm. Mr. Lawson was practically brought up with William H. McGee & Co. He was an engineer with the New York Telephone Company after graduating from Cooper Union. He connected with the McGee firm in 1913, and went through the various positions in the office. In 1923 he was sent to Chicago to establish a western department as correspond-

LIVELY TILT SEEN IN WASHINGTON STATE

Insurance Commissioner Restrained From Revoking Licenses of Companies

ISSUE IS OVER RATES

Fishback Claims He Will Not Approve the Latest Deviations Filed by Many Offices

Company officials are interested in the controversy that has arisen in Washington state. The dispute arises between Insurance Commissioner Fishback and the members of the Pacific Board. The Continental brought an injunction suit as a test case against the commissioner to restrain him from revoking its license and that of its agents. The state supreme court issued a temporary restraining order. Its agents' licenses have been reinstated. The attorney-general is studying the case to define the commissioner's power under the law.

The Pacific Board as such has no jurisdiction in Washington. The member companies, however, have been meeting with severe competition from outsiders. The Washington Surveying & Rating Bureau promulgated rates, but the non-board companies filed lower rates. The Pacific Board through an attorney-in-fact filed deviations on certain classes to meet this competition. Commissioner Fishback accepted these, and they have been in effect for over a year. The outside companies, however, were gaining ground, and effective July 11 this year further deviations were filed.

Wanted Experience Tables

When the first deviations were filed with his office Commissioner Fishback demanded that companies furnish experience tables justifying the reduction. The companies stated that they would file the National Board's experience, but he declined to accept this, demanding the experience of individual companies. Mr. Fishback then refused to approve the latest deviations. Companies on legal advice agreed to adopt the deviations regardless of the commissioner's action. A meeting of companies was held and the attorney was instructed to advise Commissioner Fishback that the deviations would be followed. He threatened then to revoke the license of companies and agents and took action on the Continental to raise the issue.

Question of Commissioner's Right

There is some question as to the commissioner's right to take action. The 1911 law which was adopted dealt with rate demoralization and required the approval of the commissioner of rates filed, he having to decide whether they were "proper and adequate to cover the class of risk insured." The law provided that unless such approval could be given the license of a company and its agents should be suspended.

Law Was Amended

The amended Section 73, which was adopted in 1915, however, is held to nullify the former quoted section in that it provides only for filing, with no provision for approval of the rates by the commissioner. It states:

"Every insurance company, excepting a marine insurance company, before it shall receive a license to transact the business of making insurance as an insurer in this state, must file in the office of the insurance commissioner its rating schedules. Every such company and its agents shall observe its rating schedules

(CONTINUED ON NEXT PAGE)



EDWARD D. LAWSON

dent for the firm. During that time he has built up a magnificent business and is well known throughout his territory. He is a very popular man personally. Mr. Lawson has spoken before some of the state associations of local agents on inland marine lines.

The Chicago western office will now be conducted under the name of William H. McGee & Co., E. D. Lawson, vice-president. Mr. Lawson was recently elected vice-president of the Transportation Indemnity, which is managed by the McGee firm.

Will Enter Eleven States

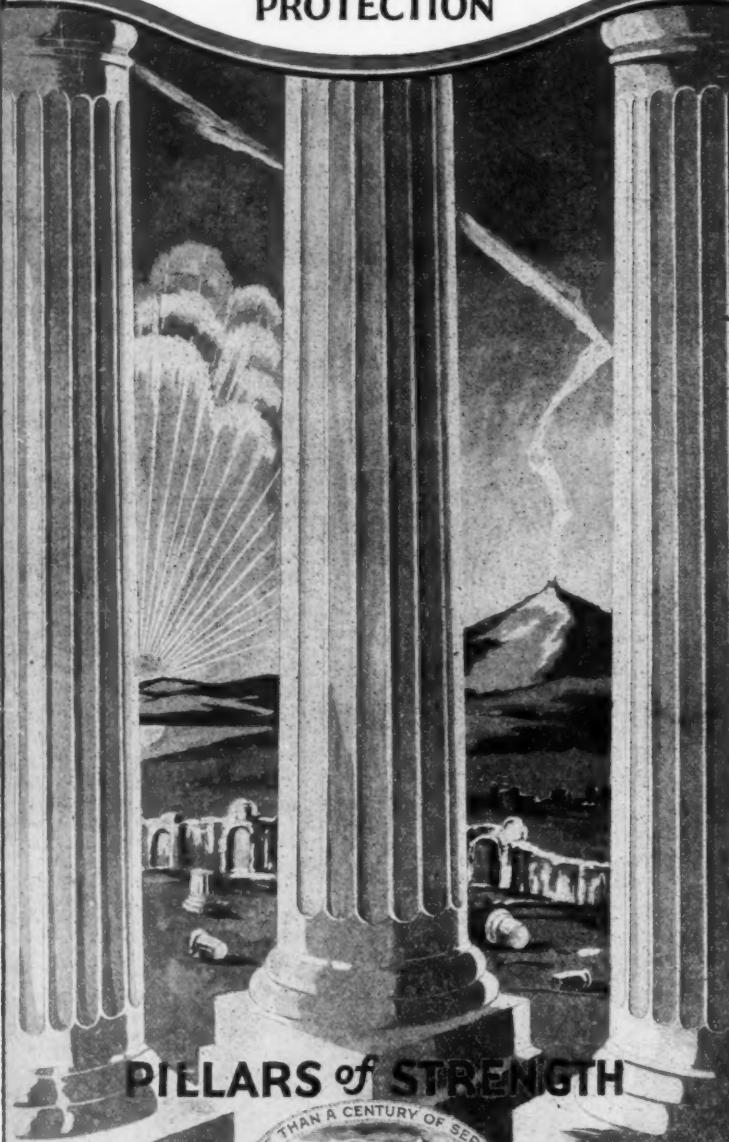
The Sussex Fire of Newark, N. J., which commenced writing business in June, with capital of \$500,000 and net surplus of \$2,000,000, will enter 11 states. It has made application already in California, Connecticut, Illinois, New York, Ohio and Pennsylvania. Arthur F. F. Shumm, vice-president and general manager, is the underwriter. He was connected with the Caledonian as assistant manager for a number of years. Associated with the Sussex are the Ajax Fire and Essex Fire.

Urge Crop Insurance

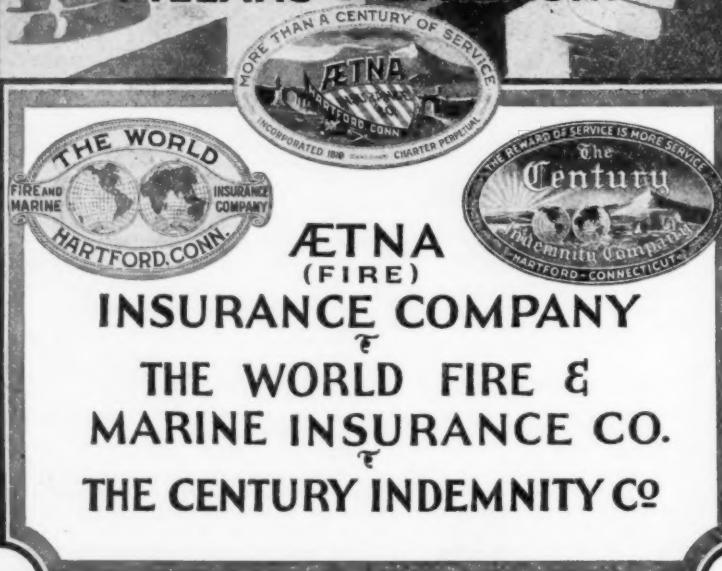
In an open letter to the presidential candidates of both the Republican and Democratic parties, Theodore H. Price, editor of "Commerce and Finance," of New York City, advocates the granting of crop insurance through a governmental agency as a solution for the farm problem. Mr. Price was formerly a prominent cotton broker of New York City and at one time was president of the old Eagle Fire.

THE AETNA FIRE GROUP

Three Strong Companies
Providing Dependable Insurance
in FIRE and ALLIED LINES
and in CASUALTY and SURETY
PROTECTION



PILLARS of STRENGTH



AGENT MUST KEEP UP WITH CHANGING TIMES

E. M. ALLEN MAKES ADDRESS

Nothing to Fear From Branch Offices

If Position in Business Is
Justified

E. M. Allen, executive vice-president of the National Surety, spoke at the mid-year meeting of the Connecticut Association of Insurance Agents last week at Norwich. Mr. Allen recently returned from Europe and he gave his opinion of the business conditions in England, France and Germany. He emphasized the fact that conditions are changing in every part of the world and that the local agent will have to keep up with the times if he wishes to survive. Mr. Allen said in part:

"In every part of the world, the conditions that have existed for generations are changing. In America, the conditions are changing from every angle and the astute business man is keeping up with the times and meeting the changed conditions as they develop."

"Conditions are changing in the insurance business of this country. Many of you are worried over the apparent trend towards branch offices as a means of retailing insurance. Some of you think this trend will have the effect ultimately of breaking down the American agency system. Doubtless, all of you can see in the branch office proposition a definite change in the system of selling insurance after many years of satisfactory experience, let us say, under the agency plan."

LONDON EXECUTIVE COMMENTS

"In a casual conversation with an insurance executive in London on the subject of reinsurance, I was surprised to have him say to me without any warning whatever:

"We would not be particularly interested in reinsuring any part of the regular run of business from America. Your system is all wrong in the States. Your agents are not underwriters but premium getters and they make no effort to select the business that is offered to their companies. We claim that the English system develops experienced, qualified underwriters so that the loss ratios under our system are much lower than is the case with you. Your companies are required to write accommodation lines for agents and write whatever the agents offer at the demands of their customers, which inevitably leads to high losses."

"If the retailing of insurance in this country in the future will be handled through branch offices, it will be because the agents of America have not kept pace with the changing conditions. Business must be selected more carefully. If agents fail in the selection, it is probable that companies will find it expedient and necessary to adopt other means of providing for it."

"Most fire insurance agents are well qualified in the handling of fire lines. The fire business is pretty well standardized and it is not very difficult for the average agent to keep himself informed of all that is necessary for the proper care of his fire business."

"In the surety and fidelity business new lines are being developed all the time and will continue to be developed over many years to come. The successful surety agent is the man who studies every new form of insurance offered and who qualifies himself as a salesman of every new line to the customers in his community."

"As insurance agents, you will have nothing to fear from branch offices nor from the natural changing condition in the insurance world if you justify your position and your calling and demonstrate your service and usefulness to your companies and to the insuring public. If you know everything about insurance and every line of insurance

needed in your communities, your services are bound to be in constant demand. If you fail to keep pace with the conditions, with the new forms and with the needs of your communities, you will be brushed aside and someone more efficient, more capable and better informed insurancewise will take your place."

"The American agency system has come through many years of struggle. Do not become satisfied with your place in the sun. A satisfied person, corporation or institution is on the downgrade. The American agency system must continue its upward march."

OVER 125 PRESENT

There were over 125 Connecticut agents in attendance at the meeting. President Herbert E. Loeweth presided and the members were welcomed by James L. Case of Norwich, former National association president; President Frank I. Royce of the Norwich Board, and Mayor Lee Roy Robbins.

Mrs. Charlotte W. Rice, secretary, showed by her reports that the state association was in a flourishing condition. Clark Belden, vice-president of the Connecticut chamber of commerce, presented statistics to show how the state leads the Union in the volume of insurance handled annually, although only 46th in size. A tribute was paid to the Norwich Mutual as having passed through 125 years of existence and as one of the oldest insurance companies in the state.

Walter H. Bennett, secretary-counsel of the National association, gave "A Survey of Present Day Conditions" and President Loeweth referred to the work of the state association.

Luncheon was served at noon and the afternoon was devoted to golf for which prizes had been offered by the New London Mutual Fire and the Hartford office of the Metropolitan Casualty.

LIVELY TILT SEEN IN WASHINGTON STATE

(CONT'D FROM PRECEDING PAGE)

and shall not deviate therefrom when making insurance until amended or corrected rating schedules shall have been filed in the office of the insurance commissioner.

"Any company which shall make fire insurance in this state according to the advisory rates, or stated deviation or deviations therefrom, furnished by a rating bureau as provided in the following section, may receive a license to transact the business of writing fire insurance in this state, without filing rating schedules, by filing written notice in the office of the insurance commissioner of its adoption of such advisory rates, stating the deviation or deviations therefrom, if any, at which it will make insurance, which deviation or deviations, if any, shall be uniformly applied to all purchasers of insurance from any such company in this state, in the class or classes to which such deviation or deviations apply."

Commissioner Fishback cancelled the license of the Continental on the ground that the company had precipitated and aided in precipitating and conducting a rate war at rates below those deemed proper and adequate to cover classes of risks insured. The board companies filed deviations from rates ranging from 25 to 35 percent below the old rate on dwellings and contents, except farm property. They also included apartment houses, churches, green fruit, cold storage plants, hospitals, retail lumber yards, school buildings and small woodworkers. The Continental immediately brought suit to prevent the commissioner from enforcing his order. The arguments will be heard on its merits Sept. 11, in the Thurston county court.

When Commissioner Fishback suspended the license of the Continental, the Washington supreme court issued a restraining order restoring the company and its agents to their original status. There will be no further change until the hearing on Sept. 11.



1720 1928

LONDON ASSURANCE CORPORATION

U. S. BRANCH

84 William Street - - New York City

JOHN H. PACKARD, United States Manager EVERETT W. NOURSE, Asst. Manager
OVER A HALF CENTURY IN THE UNITED STATES

**A Steady Keel Is Most Appreciated
When Most Needed**

For over two hundred years the London Assurance has ridden over every difficulty—through every storm—with an ever steady keel.

Over two centuries of faithful service to agents and policy-holders is the good old "London Assurance" record. Of its reputation so well earned, it is pardonably proud. Never shall this organization by any word or deed suffer it to be marred.

Closely allied with the London Assurance, sharing in its ideals of service, is the Manhattan Fire & Marine, the running mate of the parent organization. It is as dependable and financially able as the old London Assurance itself.

*Companies of Steady Keel—You will
enjoy having them in your agency.*

THE MANHATTAN FIRE & MARINE INSURANCE CO.

150 WILLIAM STREET - - NEW YORK CITY

John H. Packard, President

Everett W. Nourse,
Vice-President
Frederick A. Johnston
Secretary

J. M. Mendell,
Vice-President
Wm. Schaefer,
Asst. Secretary

R. DAVOL SUDLONG.



NEWS OF COMPANIES

SHARES ARE NOW WITHDRAWN

Fire Association Decides Not to Offer the Full Unsubscribed Amount At This Time

The Fire Association announces that 150,000 shares of the 300,000 shares of new stock offered on May 28 had been subscribed and that the remaining 150,000 shares had been withdrawn from the market. The shares which have been withdrawn will be held in the company's treasury, subject to the discretion of the company's directors. Offers made by several groups of capitalists to underwrite the 150,000 shares were declined.

Up to about four years ago, its capital was \$1,000,000. In 1924, it was increased to \$3,000,000 by the sale of \$1,000,000 in new stock and the declaration of a stock dividend of \$1,000,000. However, the company's growth made it desirable that a further increase of capital be arranged and on May 28 authorization was given for an increase to \$10,000,000. At the same

time the company offered its stockholders the opportunity to subscribe for 300,000 shares of new stock and also declared a stock dividend of 33 1/3 percent.

Of the 150,000 shares subscribed the majority was paid for in cash although subscribers were given until Dec. 5 to make payment. This gives the company capital of \$5,500,000, which the management regards as ample at this time. It was stated that the surplus has mounted to \$12,500,000 and that the assets now exceed \$30,000,000.

Liberty Bell's Figures

Following the changes in the financial structure of the Liberty Bell of Philadelphia sanctioned by its stockholders June 25, the company now has a paid up capital of \$1,000,000 and net surplus of \$1,375,000. Par value of the shares was reduced from \$25 to \$10, giving old stockholders 25,000 shares, par value \$10 each, as against the previous 10,000 shares, par value \$25 each. A stock dividend of 33 1/3 percent was then declared to old stockholders. Thereafter an additional issue of 66,-

66 2/3 shares was subscribed for at \$25 per share, providing an increase of \$666,666.67 to capital and \$1,000,000 to surplus. The new financing was completed a short time ago, the entire transaction being approved by the Pennsylvania department.

Boston Buys Additional Buildings

The necessity for increased room at the home office has led the Boston Insurance Company to purchase the two buildings which adjoin its own at 75-81 Kilby street, now occupied as the home office of the Boston Mutual Life, which will be added to the Boston's home office quarters.

The Boston Mutual Life has in turn acquired the property at the corner of Congress and Franklin streets, numbered 160-162 Congress street, and will remodel and use that building as its future home.

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acquired the property at the corner of Congress and Franklin streets, numbered 160-162 Congress street, and will remodel and use that building as its future home.

Central States to Extend Field

Directors of the Central States Fire held their semi-annual meeting in Wichita last week. Frank L. Carson of Wichita, an officer of the First National Bank of Wichita, was elected a director to fill the vacancy caused by the recent death of Frank A. Russell.

President Roy E. Ebden reported the past six months' business very satisfactory and the semi-annual dividends was increased from 2 to 3 per cent. Plans were announced for entering several additional states in the next few months. New York and Wisconsin have been entered in the past six months.

Uphold American Central Assessments

The Missouri Supreme Court has sustained the legality of an assessment of \$500,000 made by the St. Louis board of tax equalization on the personal property of the American Central of St. Louis for 1926 taxes. The court held the assessment would have been greater had the city tax board inquired fully into all the facts.

The American Central made a tax return of \$5,892,768 on personal property in Missouri for its 1926 taxes, and claimed deductions totaling \$5,604,623, leaving a balance for taxation of \$288,145. The city assessor and board of equalization increased the assessment to \$500,000. In upholding this assessment the court held that the company had \$115,000 in bank deposits and \$275,000 in bonds outside of Missouri, together with \$1,328,000 in uncollected premiums outside of Missouri that could be considered for taxation. The company claimed these were exempt from taxation by St. Louis.

Harrison Law in New Post

Harrison Law, newly elected assistant secretary of the Mayflower Fire & Marine and also of the Mayflower Liability & Casualty of Newark, is a well known figure in underwriting circles, with which he has been actively identified for over 30 years. Starting with the German-American Fire, now the Great American, Mr. Law later was associated with various fire and liability companies, doing both office and field work. For the past seven years he has been an independent adjuster, specializing in automobile losses. He is perhaps best known as the author of various statistical tables, which he has issued annually for a long time past.

Schaefer on Western Trip

William Schaefer, vice-president of the Empire Fire of Brooklyn, left Wednesday on a business trip that will extend as far as the Pacific coast.

Wilde on Agency Visit

R. R. Wilde, general agent for the western territory for the Corroon & Reynolds companies at the head office, is on a ten days trip through the field visiting a number of agencies and incidentally looking up promising special agency timber.

M. P. Ivey Goes to Dallas

Milton P. Ivey has sold his interest in the insurance agency of Ivey & Schoolman at Houston, Tex., and will take charge of the casualty and bond department of the Fred P. Roeder agency at Dallas, which has the general agency for the Employers' Liability. Mr. Ivey was for some years connected with the underwriting department at the home office of the Union Indemnity at New Orleans. The Roeder agency has a substantial fire insurance business in Dallas and has now become interested in the development of a casualty and bond department.



The Eureka Security operates in Ariz., Ark., Cal., Colo., Conn., Fla., Idaho, Ill., Ind., Iowa, Kans., Ky., La., Mass., Mich., Minn., Mo., Mont., Neb., N. H., N. Y., Okla., Ore., Pa., Tenn., Tex., Utah, Va., Wash., W. Va., Wis., Md. Good agents are always wanted.

A Bunkless Advertisement No. 1

We Introduce
Our
Campaign

Will Rogers is at present campaigning against BUNK—so we feel that this is an especially propitious time for our campaign also. Frankly we have inserted this advertisement in hope that a few agents will write us regarding an agency for the Eureka-Security. We do not specialize in superlatives but we must have something to offer agents or we wouldn't be in business for over 64 years and have grown as steadily as we have. Next month we are going to announce our platform.

EUREKA-SECURITY FIRE & MARINE INSURANCE COMPANY of CINCINNATI, OHIO
KNOWN ALSO AS THE CINCINNATI UNDERWRITERS

75TH
Anniversary

Why They Consider Us **FOUR SQUARE** With Agents ~

- Absolute Fairness
- Mutual Understanding
- Experience
- Regard for Agency System
- Interest in Agents' Welfare
- Complete Efficiency
- Acquaintance with Agents
- Never Fails to Fulfill Obligations

- Company Friendship
- Earnest Helpfulness
- Notable Sympathy
- True Honesty in Business Conduct
- Realizes Agents' Problems
- Always Dependable
- Loyalty

TRUE HONESTY IN BUSINESS CONDUCT

"Honesty and integrity is the spirit which has always pervaded the American Central and caused it to occupy the high position it now enjoys with the agents of the country. I do not know of anything more that an agent could want from a company."

JAMES CRAVENS,
CRAVENS, DARGAN & CO.
HOUSTON, TEXAS

AMERICAN CENTRAL INSURANCE CO.

SAINT LOUIS

B. G. Chapman, Jr., President

D. E. Monroe, Vice Pres. and Secretary



Action! When you want it you get it

ACTION! It is demanded of you, and you in turn demand it of your assistants.

A filed letter or business document is of most value to you the minute you want it—not later in the day—not some other day.

Just one thing governed in designing the new GF 700 line of files, and that was permanent filing efficiency. We made these files so that it is quick and easy to file a letter or other document in its proper place, and just as quick and easy to find it again when it is wanted.

Every detail contributes to permanent speed and usefulness—strength and capacity instead of weight and bulk; valuable extra inches of filing space; drawers that glide smoothly on frictionless rollers; quick releasing, yet positive compressors; beautiful, durable and easy-to-clean finish. All these features come at a cost surprisingly low.

And there is a GF 700 line file to fit every business record, from a $2\frac{1}{2}$ x 3 card to the largest ledger sheet.

THE GENERAL FIREPROOFING COMPANY
Youngstown, Ohio Canadian Plant, Toronto
BRANCHES AND DEALERS IN ALL PRINCIPAL CITIES

The GF Allsteel Line: Safes • Filing Cabinets • Sectional Cases • Desks • Tables • Shelving • Transfer Cases • Storage Cabinets • Document Files • Supplies

GF Allsteel
700 LINE FILES

Attach this coupon to your firm letterhead
THE GENERAL FIREPROOFING COMPANY • Youngstown, Ohio N. U.
Kindly send me a copy of the GF Allsteel Desk Catalog.

Name _____ Firm _____
Address _____
City _____ State _____

MANY MANUFACTURERS APPROVE IDEA OF AUTOMATIC SPRINKLER PROTECTION

ABOUT 90 percent of the nationally advertised merchandise is produced under the protection of automatic sprinklers. Manufacturers put their trust in automatic sprinklers, because the latter have proved themselves the most deadly foe of fire. Sprinklers minimize the danger to such an extent that fire insurance companies reduce the rate from 50 to 85 percent as soon as they are installed; and when a merchant or manufacturer lowers his insurance costs that much, he automatically achieves a position where he can sell what he has to sell at a lesser cost than competitors who are without the advantages of automatic protection.

Business men are so much aware of the advantages of sprinkler protection that the owners of \$1,500,000,000 of property are changing annually from the "unprotected" to the "protected" class. A third of the business (\$500,000,000) is going to the 40-odd mutual companies in the United States, whereas only two-thirds of it (\$1,000,000,000) is being retained by 400 stock companies, despite the latter's possession of agents in every city, village and hamlet in the country.

RECOGNIZE ECONOMY GAINED

"More and more," said an expert, "agents are interesting themselves in approved protection for their clients. Their recognition of the economies of automatic extinguishment are proved by the fact that they are recommending such installations whenever and wherever they can, thereby insuring also the safety of their own expirations."

"Agents and brokers are beginning to realize that the subject of sprinkler installation is going to be introduced to their client in some way or another. Maybe he will see an advertisement, illustrating the protection that automatic sprinklers afford. He may hear of the sense of security and peace of mind that sprinklers have brought to some merchant or manufacturer. The idea may have come to him through visiting the plant of some competitor who, perhaps,

is selling more cheaply than he can. It may have been introduced to him by some big brokerage house which combines sprinkler financing with insurance. Perhaps it may have come from some mutual or reciprocal salesman, specializing in equipped risks and ready to take advantage of every opportunity to suggest such protection; or the idea may have reached him from some sprinkler salesman direct.

Under Everyone's Consideration

"The big fact is this, that the subject of automatic sprinkler protection is actually under consideration, or will be sooner or later, by every unprotected and worth-while risk on an agent's books. No matter what some people say, sentiment in business flies out of the window where dollars and cents are involved; and no president, or general manager, of a business is going to turn a deaf ear when approached with a proposition that is certain to afford as many economies and satisfactions as result always from the installation of a sprinkler system."

The expert quoted above makes the practical suggestion that, owing to the aggressive activity of mutuals, reciprocs and big city brokerage firms that are making a "drive" for business via the sprinkler-protection route, every local agent owes it to himself to make a careful check of his assureds and decide whether or not it would pay him to install a sprinkler system. If the agent delays action in this respect, considering that it is possible always to make a saving in insurance cost, somebody else will make the suggestion and get the line away.

Sprinklers pay for themselves. As soon as they are installed, the fire insurance rate goes down from 50 to 85 percent. The savings thus effected within five or six years will pay for the sprinkler equipment. In most cases the property owner doesn't need to put up a cent, nor withdraw a dime from working capital, though he enjoys the superior protection of a sprinkler system from the day it is installed.

SOME POINTS THAT LOCAL AGENTS SHOULD CONSIDER IN THEIR WORK

BIG FIELD FOR RENTAL INSURANCE IS SEEN

Every owner of property whether he occupies it himself or not is a candidate for rent or rental value insurance. In many cities houses are being bought on the monthly payment plan in which rent is combined with the partial payment price. If the property is burned the purchaser sustains a loss as does the owner. It is estimated that it takes about three months to restore a dwelling. The owner of a dwelling may occupy it himself and be forced to move out in case of a fire while his property was being rebuilt. He would probably have to pay more rent for a short time than if he were renting by the year.

Owners of all other classes of buildings would find rent insurance even more desirable than home owners. There is the direct loss of income in any case if fire should render the building untenable. The source of income from which a man may be paying the interest or part of the mortgage of a building is thus cut off until proper restoration is made. The agent should work out a very simple and plain sales talk showing just what the policy covers. He should beforehand ascertain the approximate time it would take to replace the building. One feature of the contract is interesting. The liability of

a company does not necessarily end when the policy expires, if a fire has occurred before the expiration of the policy. It is liable for loss of rent if the period of restoration extends beyond the expiration of the policy. The cost of insurance of this kind is comparatively light so it should be combined with every fire policy written.

LAUNDRY BUNDLE COVERAGE

Question.—I am taking the liberty of addressing you in an effort to secure a policy that will cover a dyer and cleaner for protection of customers' garments while in the cleaners' hands including delivery.

Answer.—The National Union Fire of Pittsburgh, Hartford Fire, Employers Fire of Boston and Automobile are all writing what is generally known as laundry bundle insurance, which gives full protection to the dealer for loss or damage to the clothes in his possession until reaching the customer.

Miscellaneous Notes

L. H. Kashner, special agent in St. Louis for the Automobile, has returned after a visit throughout the east. He is a veteran special agent in the fire insurance business and is also principal owner of the B. & G. sandwich shop.

The Home of Little Rock has erected a beacon on the roof of its building for the guidance and protection of aviators who may be passing over the city after dark.

HEARING ON DWELLING RATES IN MINNESOTA

COMPANIES JUSTIFY RAISE

Commissioner Wells Hears Arguments for and Against New Schedule Recently Put Into Effect

ST. PAUL, Aug. 1.—Dwelling house business in Minnesota at rates recently prevailing was not profitable and the losses sustained warrant the increases asked for. This was the contention of representatives of the General Inspection Bureau at the hearing before Commissioner Wells.

In reply representatives of various commercial clubs in the state asserted that the old line companies are rapidly losing business in the rural sections to the farm mutuals and they will lose it more rapidly if rates are further increased.

After an all-day hearing, attended by about 100 persons, Commissioner Wells gave the inspection bureau until today to file any brief it may wish and the other side until Aug. 10 to file replies.

Result of Rochester Protest

The hearing was the result of a new schedule of dwelling rates put into effect a month ago. It made three increases, five reductions and left one unchanged. Citizens of Rochester, Minn., filed a protest and this was followed by similar actions by other cities and towns. All cities and towns except in 17 northern counties are affected.

It was the contention of the opponents of the rate change that the inspection bureau should be made to "come into court" and present facts and figures justifying the new schedules so that the other side could combat them. Commissioner Wells held that he had no authority to conduct the hearing on that basis. He could merely weigh the evidence presented and decide whether the new rates were justified.

The General Inspection Bureau was represented by Assistant Manager C. J. Lund and by J. V. Parker and R. D. Hobbs of the Western Actuarial Bureau, Chicago. Lumber interests were represented, for the new schedules involve the use of wood shingles. C. E. Close, Chicago, and E. J. Fisher, Minneapolis, representing the National Lumber Manufacturers' Association, attended the hearing for that association and A. A. D. Rahn, vice-president of a large Minneapolis lumber concern, Shevlin-Carpenter-Clarke Co., also was present.

Mr. Rahn made the suggestion that the 2 per cent tax now collected on insurance policies for the benefit of local fire departments be abolished. He said it was a link between the fire departments and the insurance companies which ought to be broken.

E. C. Erb of Red Wing said that he was finding it increasingly difficult to get business for old line companies because of their higher rates.

Say Average Rate Lower

Answering the statement that as cities improve their fire protection facilities, the insurance rates go up instead of down, representatives of the inspection bureau pointed out that better protection is needed because of the growth of the cities and the more expensive buildings. They expressed the belief that the average rate on dwellings at present is not more than two-thirds what it was some years ago.

John Townsend, representing the St. Paul Association, challenged the statement that shingle roofs are as great a fire hazard as claimed. He said that 95 percent of the reroofing jobs in St. Paul are with material other than wood shingles.

Mr. Parker said that the state's losses through frame buildings over a period of 10 years totaled 51.2 percent in protected

areas as compared to a loss of 38.3 percent on brick dwellings in a similar area over a similar period of time. He declared that the insurance on frame buildings is not profitable to the companies and urged increased rates on this form of hazard.

The special committee on increased fire insurance rates appointed by the Minneapolis Civic & Commerce Association includes two insurance men, A. H. Lang and John H. Hauschild of the Charles W. Sexton company.

The Minneapolis city council has gone on record as opposed to the increase. One alderman proposed that the city investigate the feasibility of carrying its own fire insurance and a committee was named to report back to the council in 60 days.

Miscellaneous Notes

W. U. Cotton of Atlanta, cashier for the southern department of the North America, died at his home July 28 following an illness of a couple of weeks. In 1903 he became connected with the North America. He had been cashier of the company for 15 years.

Henry Durand Morgan, prominent Atlanta business man and formerly with the Adair Realty & Trust Company, has severed his connection with that firm to go with the Logan Clark Insurance Agency. He will specialize in fire and casualty insurance.

RIOT DEFINED BY COURT IN LOSS DURING STRIKE

DAMAGE TO PLANT COVERED

Holds Circumstances of Holding Workers at Bay to Be Within Meaning of Policy

Judicial construction of riot and civil commotion insurance policy.—In Brouse vs. Imperial Assurance, New York Supreme Court, trial term, New York County, 224 N. Y. S. 136, the insurance company issued a riot and civil commotion policy covering the insured's business as a dress manufacturer. The policy provided for coverage for damage caused by rioting; riot attending strike.

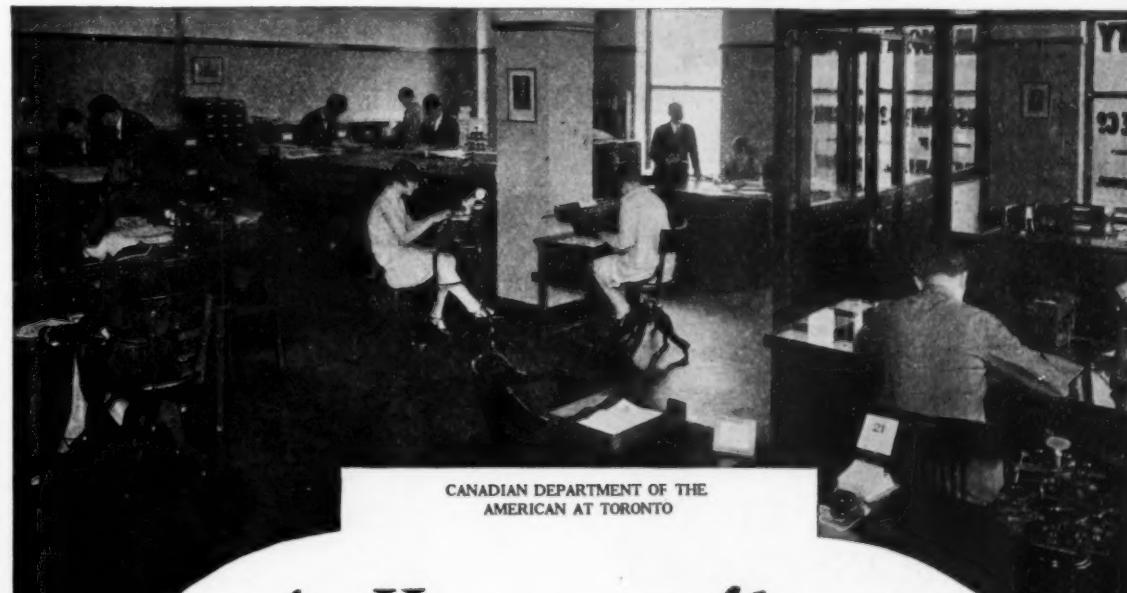
While this policy was in force, some of the insured's employees went on strike. Others continued to work. At this time six persons appeared at plaintiff's factory and with threats of violence toward the employees who were working, forced them to enter a small cage or enclosure. Following this the six men cut and threw acid on finished garments doing damage in the sum of \$9,660. For

the damage so caused the insured sought to collect under his riot policy.

The insurance company denied liability on the ground that the facts as outlined did not constitute a riot. In passing upon this question, and in awarding the insured a recovery under the policy the court, said:

"The only question is whether the damage so sustained was caused by a riot or a riot attending a strike. It seems that, in this case at least, there is no distinction between the two clauses. From the foregoing facts it is apparent, and I so find, that there was a common intent on the part of the six intruders above mentioned to accomplish an unlawful act, to wit, the destruction of the property of plaintiff; that, in furtherance of such intent, and acting in concert, they unlawfully trespassed upon and assembled in plaintiff's premises, and, after terrorizing plaintiff's employees by indicating that they were armed and threatening to kill them if they offered any resistance, the said invaders destroyed plaintiff's property. This, in my opinion, constitutes a riot within the meaning of such word as defined in the dictionaries, under the common law, in the penal law of this state, and as construed and interpreted in the case. * * *

"Judgment directed for plaintiff for \$9,660, with interest from Feb. 7, 1927."



CANADIAN DEPARTMENT OF THE AMERICAN AT TORONTO



WILLIAM THOMPSON
Manager

At Home and Abroad with The American of Newark

UNDER the direction of Manager William Thompson ably seconded by Assistant Manager A. E. Blogg, the American's Canadian business is conducted through its departmental head office in the Metropolitan Building at Toronto, Ontario, pictured above.

The Company under a Dominion license operates in the provinces of Quebec, Ontario, Manitoba, Saskatchewan and British Columbia.

Mr. Thompson is well equipped, by an acquaintance of twenty years with insurance business and insurance people in the provinces, to bring the American to the favorable notice of its Canadian friends, to all of whom it offers through him the most neighborly of good wishes.



Capital \$4,000,000.

Dept. Offices
ROCKFORD, ILL.
BOSTON
MEMPHIS
SAN FRANCISCO
TORONTO
Foreign Offices
BELOJUM
BRAZIL
CHINA
Egypt
ENGLAND
HOLLAND
INDIA
TURKEY
BR. E. AFRICA
DUTCH E. INDIES
AND STRAITS SETTLEMENTS

Incorporated 1846

AMERICAN AUTOMOBILE INSURANCE COMPANY

St. Louis

L. A. HARRIS
PRESIDENT

ALL KINDS
of INSURANCE
on AUTOMOBILES

CAPITAL & SURPLUS . . . \$3,260,936.98
RESERVES 7,014,294.65
TOTAL ASSETS (JAN. 1, 1928) 10,275,231.63

AUTO MANUFACTURERS SEE UNCERTAIN FUTURE

USED CAR SITUATION ACUTE

Developments Due to Intense Competition in Light Car Field to Have Effect on Insurance

DETROIT, Aug. 1.—With the development of an increasingly fast and furious pace in motor car sales, due largely to intensive activities in the light car field, it is apparent from a survey of operations of various companies that the entire automobile industry is in a state of flux and that its future is suggestive of some ominous possibilities.

Although it is a little difficult to say what the steadily increasing scramble for sales, particularly in the light car field, is going to mean to the industry, it is generally admitted that competition will be narrowed, due to the necessary displacement of some companies this year through their inability to stand this pace. Whether this situation will be productive of another new manufacturing combine like General Motors or Ford is problematical.

Used Car Situation Difficult

In view of the more liberal allowances on trade-ins of old cars for new car sales it is certain, however, that the used car situation will cause difficulties this year which must be definitely settled. Several of the smaller companies are giving allowances for trade-ins several hundred dollars in excess of those offered by larger makers on their own products, which means that the disposition of used cars thus acquired on an unprofitable basis is bound to become more and more fixed as an overhead charge. It is now generally admitted by representative executives in the industry that eventually the cost of disposing of the used car will have to be borne by new car purchasers. It is stated in this connection that they will either pay more for the new car or they will have to sell their used car for junk and charge the difference between original cost and value received on the one hand and the amount received for the used vehicle up to profit and loss.

These developments are characterized as the natural outgrowth of the fact that replacement demand is now providing the field for future sales to a marked degree over previous years due to the stabilization which has been brought about in the automobile industry upon practically the same basis as in other industries. With Ford, Chevrolet, Dodge and the other large producers in the light car field intensifying the competition it is emphasized that these factors are bound to be productive of far-reaching changes.

Means New Scale of Values

That these changes will necessitate the establishment of a new scale of values for motor cars by insurance companies seems equally apparent. The necessity for increased vigilance in insuring used car risks is especially emphasized by the growing complexities of the selling situation in the industry until definite methods of handling this class of cars are determined upon.

This is said to be particularly applicable to old Model T Ford cars.

In addition there is a great deal of talk about more "orphan" cars in the industry due to the possible defection of more makers this year as well as the possibility of mergers and consolidations that will take present makes off the market. It is emphasized that while these indications were not so apparent at the outset of an active spring selling season, with representative companies in record breaking production, the fact that these favored manufacturers are making such strides in output constitutes the very reason for displacement of smaller makers to a greater extent later in the year.

NEW CODES ADOPTED TO CHECK DUST EXPLOSIONS

CENTER ON GRAIN INDUSTRY

Hazard Affects Many Branches of Business—Organizations Cooperate in Research Work

Codes for the prevention of dust explosions in terminal grain elevators and flour and feed mills have just been adopted as American standards by the American Engineering Standards Committee. The preparation of the codes was sponsored by the United States Department of Agriculture and the National Fire Protection Association, which worked with a sectional committee of the American Engineering Standards Committee.

Standards were recently adopted also for pulverized fuel systems, starch factories, and pulverizing systems for sugar and cocoa. Others are being studied at the present time for sulphur crushing and pulverizing, spice grinding and pulverizing, hard rubber grinding, wood working, and the pulverization and atomization of metals.

Hazard in Many Industries

A recent census of manufacturers showed that 28,000 plants in the United States, employing over 1,300,000 persons, and with an annual production of \$10,000,000,000, are subject to the hazard of dust explosions. Extensive research into the causes of dust explosions by the bureau of chemistry of the Department of Agriculture led to a study of the problem by the National Fire Protection Association, and later to the preparation of safety codes by the American Engineering Standards Committee.

The code for terminal grain elevators provides, in part, for buildings constructed of fire resistive materials with a large percentage of window space, and with smooth interior walls free, as far as possible, from pockets or ledges which can accumulate dust; roofs and side walls of belt conveyor galleries and side walls of cupolas above bins of light construction offering minimum resistance to explosive energy; separation of buildings by as great a distance as is practicable; dust-proof equipment; automatic controls for motors; isolation of drier units; complete systems of cyclone dust collectors; and equipment for removal of static electricity.

The code for flour and feed mills provides in part, for construction of fire resistive material with large window area and smooth interior walls; separation of cleaning department from other departments by firewalls; roofs and side walls of belt-conveyor galleries and side walls of cupolas above bins constructed to offer minimum resistance to explosive energy; dust-proof equipment; cyclone dust collectors; and permanent ground wires to remove static electricity.

The sectional committee which prepared the codes under the chairmanship of D. J. Price of the United States bureau of chemistry is made up of representatives of the following groups: Association of Government Labor Officials of the United States and Canada, International Association of Industrial Accident Boards and Commissions, Dust Collection Equipment Manufacturing Groups, Grain Elevator Construction, American Spice Trade Association, Associated Corn Products Manufacturers, National Electric Light Association, Railway Fire Protection Association, Terminal Grain Elevator Merchants' Association, United States Department of Labor, Sugar Industry, Underwriters' Laboratories, United States Department of Agriculture, Associated Factory Mutual Fire Insurance Companies, Mutual Fire Prevention Bureau, National Board of Fire Underwriters, National Bureau of Casualty & Surety Underwriters, and Underwriters' Grain Association.

SOME RECENT COURT DECISIONS IN THE FIELD OF FIRE UNDERWRITING

Where insurance company accepted insured's valuation for purpose of issuing fire policy held insurance company could not plead over valuation following loss under Nebraska statute.—In United States Fire vs. Sullivan, Circuit Court of Appeals, Eighth Circuit, 25 Federal Second 40, the plaintiff brought an action to recover on a policy for the loss of a dwelling. The defendant attempted to escape liability on the ground that the insured had over valued the property in applying for the policy. The evidence tended to show that the defendant's agent had accepted the insured's valuation and a policy was issued thereon. In addition, the statutes of Nebraska where the policy was issued, provided that the amount of insurance written in a policy should be taken conclusively as the true value following a total loss.

Given Plaintiff Judgment

In the light of this statute, the plaintiff contended that the defendant could not contest payment on the ground of over valuation. The trial court took this view of the matter and rendered judgment for plaintiff. On appeal the higher court in reviewing the record, and in affirming this judgment said:

"It is a well known fact that it has been the practice of some fire insurance companies to insure property at any value the insured cared to put thereon without any investigation as to such value. The natural impulse of the insured was toward amply sufficient or even over valuation. The higher the valuation, the greater the premium.

"If there were no loss, the insurance company profited through the high valuation. If loss occurred, the insurer would contest the value or amount of recovery and the insured might recover less than the value stipulated in the policy, although he had honestly estimated the value at the time the insurance was taken and had paid premiums on the basis of such estimated value. This situation produced dissatisfaction and litigation. It was to correct this condition, that this section was enacted.

Bound by Estimate

"The result of this method of making the policy valuation binding was to place on the insurer the duty to make its own investigation and binding determination of value before such is agreed upon and placed in the contract. * * *

"Neither party can evade the statute by avoiding this duty. If the insurer performs its full duty, in this respect, it is bound by its estimate of value based thereon unless conditions (reducing value), not ascertainable by a reasonably careful inspection and known to the insured, are withheld by the insured.

"But the insurer cannot close its eyes, make no reasonable investigation, take the bare word of the insured as to value and thereafter challenge such value. To permit this would be to nullify the good effect intended by the statute. It would reinstate the very situation and condition which the statute sought to destroy and prevent. It would encourage conscious overvaluation and, possibly, resulting arson. * * * The judgment should be and is affirmed."

* * *

Insurance Broker Held Liable for Negligence in Failing to Issue Fire Policy as Directed by Insured. In Case vs. Ewbanks, Ewbanks & Co., Supreme Court of N. C., 140 S. E. 709, the plaintiff was the owner of a building located on leased ground. The plaintiff applied to the defendants for insurance covering the building and the furniture therein, and explained to the defendants that he did not own the ground upon which the building stood.

Through a mistake the defendants issued a policy which required that the

plaintiff be the sole and unconditional owner of the ground upon which the building stood. A loss occurred and the company denied liability. The plaintiff brought an action against the company and was awarded judgment for the loss of the furniture, but denied recovery for the loss of the building on the ground that that part of the policy was void.

Appealed to Higher Court

Following this the plaintiff brought action against the defendants, insurance brokers, in which it sought to recover against them for their alleged negligence, for failing to order the kind of policy required. Upon the trial a judgment was rendered against the defendants. On appeal the higher court in reviewing the record, and in affirming this judgment, said:

"In the instant case, there was evidence to sustain the findings of the jury that defendants negligently failed to insert in the policy a clause showing that plaintiff was lessee, and not owner in fee, of the lot on which the building was located at the date of the issuance of the policy, and that plaintiff is entitled to recover of defendants, as damages, the sum of \$5,000.

"Defendants rely principally upon their contention that plaintiff, having, with full knowledge of all the facts affecting the validity of the policy, elected to sue the company, upon the contention that the policy was valid and enforceable against the company, cannot now maintain this action against defendants, as agents for the company, upon the contention that it was void.

Liable for Negligence

"Plaintiff is not seeking to hold defendants liable on a contract to insure his building. He seeks to recover of them damages for breach of contract to procure for, and to issue to him a valid policy. There is no contention by plaintiff that defendants are liable to him on a contract of insurance. He contends that they are liable for negligent failure to procure for and to issue to him, such contract.

"We find no error in the refusal of defendants' motion for judgment as of nonsuit. We have considered the other assignments of error based upon exceptions appearing in the case on appeal. They cannot be sustained. Upon the facts admitted in the pleadings and found by the jury, as appears from their answers to the material issues, submitted by the court, defendants are liable to plaintiff in this action, and the judgment is affirmed."

FIELD CHANGES BY NIAGARA

Several Promotions and Transfers for Parent Company and Its Allies Announced

A number of changes in the field staff of the Niagara Fire and its allied organizations, the Maryland and the Niagara-Detroit Underwriters, are announced. These include the promotion of William M. Aris from the Missouri territory to southwestern Ohio, with headquarters at Columbus. Mr. Aris is replaced in Missouri by William F. Ehret, who formerly covered Ohio for the Maryland only. In his new field he will represent all three organizations. D. M. Morrison, previously in southwestern Ohio, goes to New Jersey. Still another change is the transfer of John H. Butts, formerly special agent in Illinois under State Agent R. S. Tucker, to the Cook county department as aid to Manager E. B. Vickery. E. D. Smith, who previously held the latter post, takes Mr. Butts' former position in the field.

Depreciation--- A Greater Destroyer Than Fire

Depreciation irresistibly reduces values; slowly sometimes, but again swiftly—when some new invention makes a mechanism obsolete.

A property owner is misled by general percentages for computing depreciation. Rule o'thumb methods yield only figures, not facts. Facts may be secured only through expert analysis of depreciation factors.

Your customers cannot know their sound values without knowing "depreciation," and today's replacement costs. A Lloyd-Thomas *appraisal will give them this knowledge, and the service of our experts is always at your disposal.

"WHAT IS AN APPRAISAL?" — It is a complete classified inventory of insurable property (except stock, merchandise and raw materials). Each item of property is valued at today's cost to replace new. The amount of accrued depreciation is determined and the sound insurable value is given.

"ITS ADVANTAGES" — 1st—It discovers insurable values that have long been written off the books through unscientific depreciation — 2nd—It gives the agent, the assured, and the companies value facts of property. 3rd—It makes for adequate insurance protection, for in nearly every instance it calls for additional insurance."



4411 Ravenswood Ave., Chicago
120 Broadway, New York

Cincinnati
St. Louis
Denver
Washington

Cleveland
Milwaukee
Toronto
Los Angeles

Detroit
Pittsburgh
Minneapolis
Atlanta

Indianapolis
Memphis
Kansas City
Des Moines

1928

JOHN H. GRIFFIN, President

1928

NORTHWESTERN

FIRE AND MARINE INSURANCE COMPANY
MINNEAPOLIS, MINNESOTA

Isn't it worth while

To know that you have a company in your agency that has the facilities and desire to serve you completely and satisfactorily?

Fire Tornado Lightning Automobile Hail Rents Use and Occupancy

Add to Your Profits from Fire and Casualty by Taking on a Splendid Life Line

THE Largest Mixed Insurance Company in the World recently Established a Life Department. There is a Pronounced Trend in that Direction. Agencies are adding Life to Fire, Casualty, Surety, etc. You, too, may Enlarge your Profits without Increasing Fixed Costs.

The most Satisfactory Life Contract Available is that of the Columbus Mutual—the Company which 20 years ago Eliminated Middlemen and Diverted the Huge Expense of their Maintenance into Savings for Policyholders and Agents. Its System makes possible Low Cost Insurance, Generous Commissions, and VESTED Renewals. There are No Restrictions in Territory. Each Contract is a Direct Home Office Contract—no Intermediaries between. The Agency that Produces gets ALL the Commissions.

Send today for this Distinctive and highly successful Company's Proposition. Write your Name and Address on the Margin of this Advertisement and Forward.

THE COLUMBUS MUTUAL LIFE INSURANCE COMPANY

C. W. Brandon, Pres.



Columbus, Ohio

SPRINKLER LEAKAGE INSURANCE

Suddenly - without warning the Sprinkler head "let go" and before it could be shut off hundreds of gallons of rusty water had drenched the unprotected stock below.

Every tenant in a Sprinkler-ed building is a prospect for Sprinkler Leakage Insurance.

Suggest Sprinkler Leakage Insurance to your clients and prospects. It may serve as a lead to new and more profit-able business.

COMMERCIAL UNION FIRE INSURANCE CO. OF NEW YORK

NEW YORK CHICAGO SAN FRANCISCO ATLANTA DALLAS

CHANGES IN THE FIELD

EBBERT GOES TO MICHIGAN

Aetna Sends Man From Its Western Department That Took Northwestern University Course

George M. Egbert, who is connected with the western department of the Aetna in Chicago, has been appointed special agent in Michigan to assist State Agent G. R. Livingston. The Aetna has not filled the Michigan quota following the transfer of State Agent C. L. Allen to Hartford, who is traveling in home office territory. Mr. Livingston was appointed state agent at that time, leaving him Special Agents Whitehorn and Nicol. Mr. Egbert will now join the Aetna force there. He is a graduate of the insurance course in Northwestern University.

L. P. Frayser

Lawrence P. Frayser, who has been traveling Virginia, North Carolina, Maryland and the District of Columbia for several years for the Scottish Union & National, with Richmond headquarters, has been appointed special agent for the group of companies for which A. H. Turner is manager at Atlanta, succeeding Louis T. Miller, who resigned recently to go with the Public Fire of Newark. For this company Mr. Miller will travel Virginia and the two Carolinas. Mr. Frayser enters upon his new duties Sept. 1, his territory to include Virginia and North Carolina. He will retain his headquarters in Richmond. Before going with the Scottish

Union & National, Mr. Frayser traveled Virginia for several years for the Home of New York.

E. M. Quinn

E. M. Quinn has been appointed by the Commercial Union as special agent in Wisconsin, and will be associated with W. R. Hunter. Mr. Hunter is traveling the territory, both making headquarters at Milwaukee. Mr. Hunter has been in his present field for the company for a number of years, while Mr. Quinn goes to the organization from the National Fire.

L. P. Jersey, P. F. Brown, Jr.

Louis P. Jersey, Virginia special agent for the Fidelity-Phenix, according to advices from New York, is to become agency superintendent for the America Fore companies. It is understood that his duties in the Virginia field will be assumed by Phil F. Brown, Jr., special for the American Eagle.

Charles T. Stewart

Charles T. Stewart of Denver, state agent of the North America in the mountain field, who has been in ill health for the past year, has been given a leave of absence by the company and has entered the Fipps sanitarium at Denver where under the rules he will be required to give up all business activities and devote his entire time to an effort to recover his health. Mr. Stewart will probably be in the sanitarium for several months, during which time A. D. Hart, his assistant, will have full charge of the North America's operations in the mountain field.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

GERMANIC FIRE ORGANIZING

The Germanic Fire will complete its organization about Oct. 1 according to announcement following notification of approval of the company's charter by the New York state authorities. A committee of the incorporators has been formed and will meet regularly to perfect plans for organization, management and personnel. The home offices of the new company will be at 26 Broadway, New York.

NO CALL FOR RIOT COVER

To the surprise of underwriters who had anticipated a considerable demand for riot and civil commotion covers as a result of the serious labor troubles existing at New Bedford, Mass., not a single application, so far as could be learned, has been received by any company. Incidentally it is interesting to record that Mayor Ashley of New Bedford, is head of the prominent agency firm of Charles S. Ashley & Sons of that city, which represents a number of leading fire and casualty corporations.

MAY BE LAW VIOLATION

Some of the fire companies have received word from their special agents in New Jersey that not all the companies affiliated with the Eastern Underwriters Association have promulgated their commission scale for non-policy-writing agents effective as of March 28, but that some are making it effective as of July 12.

In the opinion of some who have studied the matter, companies which make their scale effective July 12 are running considerable risk. The amendment to the Ramsay act was approved March 28 and became immediately effective. Soon after the companies, both affiliated and non-affiliated, decided what commissions they would pay in New

Jersey in compliance with the new law and made the new scales effective March 28. Then the question of the non-policy-writing agent came up. On July 12 the attorney-general gave his opinion and held that a commission for non-policy-writing agents of 5 percent lower than that paid the recording agent, was legal. The opinion of the attorney-general makes no new law or did it change the one already in force so that it is held that the differential is effective from March 28. The question has been raised whether a company making the differential effective subsequent to that date is violating the law and is liable to a fine of \$500.

WILLIS O. ROBB HONORED

On the eve of his retirement as manager of the New York Fire Insurance Exchange, Willis O. Robb was the guest Tuesday of his associates of the Round Table of the Drug & Chemical Club at a gridiron luncheon. James Marshall of the Northern of New York acted as "roastmaster," while Charles E. Pitcher, deputy manager of the Royal, and others good naturedly poked fun at their honor guest.

PLAN OF RECORDING BUREAU

Howard DeMott, formerly manager of the Reinsurance Bureau, former general manager of the National Automobile Underwriters Conference and former secretary of the Eastern Union, is one of the directors of the Recording & Statistical Bureau at 76 William street, New York City, which is tabulating all kinds of insurance statistics such as classification, reserves, unearned premiums, agency distribution, current and annual reports. It has operating divisions in Boston, New York, Detroit, Montreal and Toronto. R. G. Clarke is president; R. E. Fletcher, vice-president, and E. E. L. Taylor, secretary.

All three were formerly connected with the Library Bureau. Mr. Clarke was formerly vice-president and general sales manager and his associates were manager and assistant manager respectively of its statistical department. Messrs. Clarke and Fletcher have had considerable experience in insurance methods.

* * *

SEEK AIR PROPERTY DAMAGE

The opening of new airports in the east has brought about quite an interest in property damage from falling aircraft insurance. One company was called upon to insure \$50,000 worth of gladioli during the blooming season, the field being located near an airport. A broker in New York was called upon to furnish a floater covering a string of polo ponies on their visits about the polo fields in Long Island. A number of florists have taken out the insurance and one eastern factory adjacent to an airfield insured its chimney about which the planes constantly fly. There is a movement on foot now to join the various companies writing this line into a conference of an informal nature to control or equalize the rates which vary. Most of the companies are discarding the demand for higher rates when the property is near an airport and are permitting their rates to be used regardless of location.

* * *

STRATTON NOW IN CHARGE

After 35 years of constant and efficient service William F. Tilton retired as vice-president and general manager of the Underwriters Salvage Company of New York City, and is succeeded by G. F. Stratton, who had previously been Boston manager of the General Adjustment Bureau.

In addition to the office and warehouse in New York City, branch establishments are maintained at Boston, for the New England department; at Atlanta for the southern department; at Dallas for the Gulf department and at

San Francisco for the Pacific Coast department. In addition offices are located at Philadelphia, Pittsburgh, Buffalo, Los Angeles, New Orleans, Louisville, Richmond, Memphis, Oklahoma City, Little Rock and Houston. An extensive reconditioning plant is operated at South Peabody, Mass. The value of stock handled annually ranges from \$8,000,000 to \$10,000,000.

The late J. Montgomery Hare was chairman of the board of the salvage company and his successor will likely be chosen in due course. Alfred G. Martin is president; G. F. Stratton, vice-president and general manager; Ernest A. Zittle, secretary-treasurer. Frank B. McLean, assistant general agent for the New York and the Middle Department, has been with the organization for 24 years and is very familiar with its procedure, having filled successive positions from handling the damaged goods to arranging for their reconditioning and sale. William F. Padberg is superintendent of the warehouse in New York City, and Max C. W. Buchenberger superintendent of outside salvage operations in the metropolitan district.

* * *

NEW INVESTMENT CORPORATION

As the outgrowth of a joint account operated for some time by Frank L. Brokaw & Co. of New York city for such customers as desired to take advantage of the investment opportunities in insurance stocks, Brokaw Shares Corporation has been formed, to specialize in that form of securities. Directors include Benjamin B. Avery, Frank L. Brokaw, Stockton Cranmer, Howard C. Hill, Thomas C. Moffatt, Walter J. Nichols and Robert L. Stewart. Mr. Hill is Pennsylvania state agent for the Globe & Rutgers. Mr. Moffatt is president of the prominent Newark agency of T. C. Moffatt & Co., while Mr. Stewart is president of the long established insurance brokerage house of E. E. Hall & Co., and is also vice-president of the American Colony Insurance Co. The authorized capital of the new corporation is

REPUBLIC

AUTOMOBILE INSURANCE CO.

HOME OFFICE DETROIT, MICHIGAN

"You need a young company—a progressive company that knows what competition is and has the ways and means for you to beat it—That's why the Republic Automobile of Detroit will appeal to you."

The Republic Special

**"An Exclusive
Automobile Writing Company"**



TERRITORY
OPEN in

Ohio
Illinois
Indiana
Michigan

Discriminating
**Automobile
Underwriters & Adjusters**
USE
AUTO APPRAISAL

Used Car Values
Accurate Serial Numbers
New Car Prices—Weights

AND

Weekly Bulletins

Loose Leaf—Leather Bound
Pocket Size Reports
Revised Quarterly

**AUTOMOBILE REFERENCE
& APPRAISAL BUREAU**
2970 West Grand Blvd. Detroit, Mich.

**CAMDEN FIRE
INSURANCE ASSOCIATION
CAMDEN, NEW JERSEY**



January First, Nineteen Twenty-eight

CAPITAL STOCK	-\$2,000,000.00
NET SURPLUS	3,548,708.77
Reserve for Unearned Premiums	5,560,190.38
Reserve for Losses in Process	
of Adjustment	873,449.00
Reserve for Taxes	246,090.00
TOTAL ASSETS	\$12,228,438.15

\$1,000,000, divided into 90,000 shares Class A and 10,000 shares in Class B. Far value of shares in both divisions is \$11 each.

AS SEEN FROM CHICAGO

VAILS ARE INCREASING

J. D. Vail, III, has come to town. He is the son of James D. Vail, II, who is connected with Eastman, Diel & Co., the investment house in Chicago. James D., II, is the son of James D., Sr., assistant general agent of the Hartford Fire in the west in charge of its automobile business, former president of the Western Automobile Underwriters Conference and high muckamuck in many particulars. James D., Sr., has already broken into the grandfather class as he has a granddaughter, Mary Jeanne, 3 years old, who is the daughter of James D., II.

* * *

MEETING DATES CONFLICT

Many western managers and company officials who are obliged to attend the meeting of the Western Union regret to find that the meeting of the National Association of Insurance Agents at West Baden, Ind., conflicts with the

Union meeting. A number of managers had intended to go to West Baden and pay their respects to the National association members especially as they will meet in Western Union territory. In view of the fact that the managers will be at the Western Union meeting it will also be impossible for many assistant managers to get to West Baden.

The National Association of Insurance Agents originally intended to meet at West Baden the last week in September. It was found that there was a conflict of dates with the florists' convention. The hotel could not accommodate the National association except the third week in September and the first week in October. During the first week in October the big casualty convention is held at White Sulphur Springs. A number of members of the National association desired to go to that meeting. The Insurance Commissioners' Convention had agreed to meet the third week in September, but in order to accommodate the

National Association of Insurance Agents changed its date to the last week in September.

INSURANCE STOCK QUOTATIONS

H. W. Cornelius of Lewis, Dewes & Co., the Chicago investment house, gives the following insurance stock quotations as of July 30.

Stock	Par	Bid	Asked	Share	Div. per
Ins. Co. of N. A.	10	70	72	2.00	
Iowa National	100	160	160	8.00	
Lincoln, N. Y.	20	98	102	4.50	
Lloyd's Pl. Glass	100	290	310	14.00	
Md. Casualty	25	155	165	1.85	
Mass. Bonding	100	550	600	12.00	
Merchants, Com.	25	350	380	8.00	
Merchants, Pfd.	100	124	128	7.00	
Mechanics	25	100	100	2.50	
Merchants, R. I.	50	115	125	---	
Merch. & Mfrs.	5	20	25	---	
Metropolitan	10	10	10	1.00	
Milwaukee Mech.	10	46	50	1.80	
Mohawk Fire	25	52	57	---	
National Cas.	10	51 1/4	54	1.20	
National, Conn.	100	1025	1050	25.00	
National Liberty	5	90	95	---	
National Union	100	320	320	12.00	
National Surety	100	314	316	10.00	
New Amster. Cas.	10	71	73	2.80	
New Brunswick	10	53	57	---	
New Cent. Cas.	50	50	50	5.00	
New England	10	50	55	3.00	
New Hampshire	100	540	540	16.00	
New Jersey	20	56	59	1.80	
New York Cas.	25	88	91	4.00	
Niagara	25	127	133	---	
Northern	25	120	130	3.15	
North River	25	320	340	7.75	
X. W. National	25	185	195	---	
Occidental	10	27	29	---	
Pacific Fire	25	160	175	4.00	
Pacific Indem.	50	165	195	---	
Peoples National	10	54	57	1.25	
Philadel. Natl.	10	24	26	---	
Pioneer	20	20	20	---	
Preferred Acc.	100	550	600	12.00	
Presidt. F. & M.	25	29	30	---	
Prov. Wash.	100	705	725	16.00	
Public, N. J.	5	26	29	---	
Rell. Cas., N. J.	10	14	17	---	
Reliance	10	25	27	1.20	
Rhode Island	100	340	370	12.00	
Rossia	25	160	162	6.00	
Seaboard Surety	10	20	25	---	
Security, N. H.	25	115	125	3.00	
Southern Surety	10	34	36	1.60	
Springfield F. & M.	25	195	210	4.00	
St. Paul F. & M.	25	185	195	4.00	
Standard Acci.	50	325	375	6.00	
Stuyvesant	100	290	300	6.00	
Sylvania	10	27	30	---	
Transp. Indem.	10	21	25	---	
Transportation	25	43	47	---	
Travelers	100	1530	1560	22.00	
U. S. Fire	10	98	102	---	
U. S. Casualty	100	390	405	10.00	
U. S. Fid. & G.	50	420	425	10.00	
U. S. Mer. & Ship	100	450	475	8.00	
Universal	25	83	86	2.50	
Victory	10	24	26	1.20	
Virginia F. & M.	25	130	145	4.50	
Vulcan	100	150	150	12.00	
Westchester	10	86	88	2.50	

Bid	Asked
1. Rights	2
2. Rights	3 1/2
3. Rights	8
4. Rights	8 1/2
5. Rights	8 1/2
6. Rights	240

* * *

PHALEN OPENS OWN OFFICE

Edward H. Phalen, who has been in charge of the all-risk department of Klee, Rogers, Loeb & Wolff for several years, will on Sept. 1 open his own brokerage organization. Before going with Klee, Rogers, Loeb & Wolff Mr. Phalen was connected with the London Guarantee & Accident when the U. S. head office of that company was in Chi-

AUGUST— the Hot Month

Maybe it's not so hot everywhere, but from all we ever heard, it is pretty warm in most parts of this country this month.

* * * *

And it's hot weather that says: "Take it easy—I'm the summer slump." Take it easy and you'll have a summer slump and no mistake.

* * * *

But make it snappy—perspire a bit—and you'll feel a lot cooler. Also, you'll feel a lot richer because of the business that's waiting for someone to get out of their slump and go get it.

* * * *

Here's a different slant. If a man wants to take it easy in the summer, the less he has on his mind the better. Show your prospects that insurance takes worry away—makes life easier to live.

* * * *

As a Carolina representative, there's one worry off of your mind. You know your Company is right behind every policy you sell with protection assured.

* * * *

If there is no representative of this Company in your locality remember that dependable agents are invited to apply for representation.

**The CAROLINA
INSURANCE COMPANY**

WILMINGTON
NORTH CAROLINA

NEW YORK OFFICE
59 MAIDEN LANE

The Mayfair

Last word
in hotel con-
struction and
service.

St. Louis
U.S.A.

RIGHT in
the center of busi-
ness and theatre
districts, and con-
venient to all rail-
road, street car
and bus lines.

Has the quiet re-
finement of an
exclusive club.
Everyone of its
400 rooms has a
bath. Circulating
ice water, large
closets, bed lamps,
morning paper
under the door,
and other unusual
features.

Rates from \$3.00

price posted in
each room

Charles
Heiss
Managing Director



This column serves as a market place where insurance wants may be made known to thousands of interested insurance men. Advertisements which are received before 5:00 P. M. Tuesday are inserted in the current issue. "Opportunities" advertisements are \$6.00 an inch for one insertion. The National Underwriter Chicago

AN OFFICE MANAGER
desires a position with a local agency. Twenty years experience and fully trained in book-keeping, corresponding, underwriting and collecting. The position must be one of authority and responsibility. Salary dependent on location and position. Can furnish the best of references. Address G-24, care The National Underwriter.

SERVICE MAN
wishes connection with Local or General Agency. Have had five years Bureau rating experience. Prefer Southern field. Best of references. Address G-29, care The National Underwriter.

Opening the door to the hospitality of the South

LOUISVILLE'S newest and finest hotel—located in the heart of the theatre, shopping and business district.

WALNUT at FIFTH

The Kentucky HOTEL LOUISVILLE

Robert M. Quinlan, Manager

Where Service Is Paramount

A five hundred room hotel located in the down-town section—only three blocks from the "circle"

Excellent parking and garage facilities

SPINK ARMS HOTEL INDIANAPOLIS

Wm. A. Holt, Proprietor

Hotel Directory

NEW NICOLLET HOTEL Insurance Men's Headquarters in Minneapolis

The best hotel in the Northwest opened in 1924 contains six hundred rooms and first class restaurants.

Moderate Rates Prevail
W. B. CLARK, Manager

BREVOORT HOTEL

Madison Street East of LaSalle CHICAGO

Insurance Headquarters

Brevoort Hotel upholds worthily the best traditions of American hotels famed for hospitality.

The Hotel Baltimore



500 Rooms

RATES
Rooms without Bath—\$2.00 and up
Rooms with Bath—\$2.50 and up
Double Room with Bath—\$4.00 and up
Marble Coffee Shop
TABLE D'HÔTE
Lunch—75c
Dinner—\$1.00
A. L. C. S. American

When in Omaha Hotel Conant

New—Fireproof
250 Rooms with Bath
Rates \$2 to \$3

CEDAR RAPIDS, IA. HOTEL ROOSEVELT

Rates: Room without Bath with private Lavatory \$1.50 and up. Room with Bath, Shower or Tub \$2.50 and up.

H. G. KILL, Mgr.

NEW YORK'S NEWEST AND FINEST HOTEL

SMARTLY NEAR THE CENTER OF THINGS

Around the corner from New York's exclusive shopping district, readily accessible to leading theatres, and railroad terminals, yet in a neighborhood socially correct and away from the noise and tumult of the business district. The Park Central enjoys a location distinctly unique in its advantages.

Come to The Park Central, New York's newest and finest hotel, where you will find advantages heretofore unknown to American Hostelries—Radio outlets . . . Electric Refrigeration . . . Five Period Salons and Roof Patios for private social functions . . . Swimming Pool . . . Roof Garden featuring the world-famous Venetian Gondoliers . . . other features equally unusual and desirable. Single rooms five dollars per day and up. Double rooms eight dollars per day and up.



THE PARK CENTRAL

Fifty-sixth Street and 7th Avenue

NEW YORK CITY

300 ROOMS

300 BATHS

In Dayton—

The Hotel Van Cleve, Dayton's newest and finest hotel. Delightful atmosphere and appointments that have distinct appeal to the discriminating public. Luxury without extravagance.

Reasonable Rates—Garage in Connection
C. C. Schiffeler, Managing Director
DAYTON, OHIO

1838 ← 90 YEARS' EXPERIENCE FURNISHING UNQUESTIONED INDEMNITY → 1928

URBAINE FIRE INSURANCE CO., OF PARIS, FRANCE

FRED S. JAMES & CO., U. S. Managers

Head Office
149 William Street
NEW YORK

Western Department
175 W. Jackson Boulevard
CHICAGO

Pacific Coast Department
108-110 Sansome Street
SAN FRANCISCO

SAFE FOR AGENTS — BEST FOR ASSURED

WESTCHESTER

FIRE INSURANCE COMPANY OF NEW YORK



AN
OLD and THOROUGHLY RELIABLE
COMPANY
ESTABLISHED 1837

WESTCHESTER

FIRE INSURANCE COMPANY OF NEW YORK

Western Department:
111 W. Jackson Boulevard
CHICAGO, ILL.

SAFE FOR AGENTS — BEST FOR ASSURED

Give your clients a tip on hazardless cleaning

SELL your industrial policyholders to use Oakite materials in their cleaning operations. It is good advice for them to follow because Oakite methods are positive insurance against all fire and explosion hazards in cleaning.

Oakite Service Men, cleaning specialists, are located in the leading industrial centers of the U. S. and Canada

Manufactured only by
OAKITE PRODUCTS, INC., 54B Thames St., NEW YORK, N. Y.

OAKITE
Industrial Cleaning Materials and Methods

FIRE REINSURANCE TREATIES

Eagle Fire Insurance Company
(NEW JERSEY)

Baltica Insurance Co., Ltd.
(DENMARK)

Franklin W. Fort - Thomas B. Donaldson
18 WASHINGTON PLACE, NEWARK, N. J.

cago. Mr. Phalen has been very active for a number of years in amateur sports in Chicago. He has thus built up a large number of friends.

* * *

L. & L. & G. DEPARTMENT MOVED

The Liverpool & London & Globe western department tore up stakes last week and is now ensconced in a building which houses the United States headquarters at 1 Pershing Square, New York. H. T. Cartlidge, manager; Milton H. Grannatt, assistant manager, and Clinton L. Corbet, superintendent of agents, with the staff left Chicago Saturday, spending Sunday at Niagara Falls. They appeared for duty Monday morning. There was confusion worse confounded, but in due season it will be straightened out.

* * *

GETS THE SUSSEX FIRE

Enger & Barnett of Chicago have been appointed Cook county managers of the Sussex Fire of Newark, N. J., which recently entered Illinois. It is non-affiliated.

* * *

COMMITTEE IS APPOINTED

The committee on order of business to prepare the program for the annual meeting of the Western Union at Manchester, Vt., Sept. 18-19, consists of Fred B. Luce, Providence-Washington, chairman; Montgomery Clark, Hanover; J. F. Donica, America Fore; W. L. Lerch, Royal; W. H. Lininger, Springfield; W. P. Robertson, Alliance; Raymond Waldron, Great American.

* * *

DEAN'S 86TH BIRTHDAY

A. F. Dean, former western manager of the Springfield Fire & Marine and well known author of the present fire insurance rating schedule plan in the west, reached his 86th birthday anniversary on Monday. Mr. Dean spends his time quietly at his home in Evanston, Ill. He was one of the most brilliant men that ever strode across the fire insurance arena.

* * *

STAFFORD ON WESTERN TRIP

John F. Stafford, western manager of the Sun of England and Patriotic, is on a trip through the Rocky Mountain field, combining business and pleasure.

* * *

F. P. Hamilton, western manager of the Queen, is spending the month of August on his farm in Connecticut and will return to Chicago shortly after Sept. 1.

* * *

J. A. Benz of Chicago, assistant western manager of the Sun, has returned from a three weeks' vacation trip through the Rocky Mountain and Pacific coast territory.

* * *

Karl Ludwig, examiner at the home office of the Automobile in the Western division, who substituted at the Chicago service office during vacation period, has returned to Hartford.

PUBLIC FIRE'S BRANCH CAUSES MUCH INTEREST

(CONTINUED FROM PAGE 5)
ner. All business will be directly underwritten in this office. If it is desired that a risk be bound a telephone request to this office will be confirmed immediately.

"We desire to extend our service only to members of the local board so far as Miami is concerned, on the assumption that with our proposition directly benefiting the members financially and servicewise, likewise they will accord us the support to which we will be entitled."

The reaction of the members of the Dade county association to the proposition of the Public Fire may be inferred through their adoption of the following resolution:

"Whereas, we firmly believe that the underlying principle of the Dade County Association of Insurance Agents is the safeguarding of the American agency system.

"And whereas, it has come to our at-

tention that certain insurance companies are opening branch offices for the writing of insurance through any licensed agent in Florida, which practice is directly opposed to the principles of the American agency system.

"Now therefore be it resolved, by the Dade County Association of Insurance Agents that we condemn this practice, and, furthermore, that the members composing this association will refrain from placing any insurance whatever with the companies transacting business as outlined above."

The whole matter was considered by the executive committee of the Southeastern Underwriters Association at a regular meeting last week, its decision being to supply all members of the S. E. U. A. with a copy of the resolutions by way of information and without making any comment.

CONVENTION DATES

Aug. 23-24—Pennsylvania Agents, Hazelton.

Aug. 26—Minnesota Agents, Minneapolis.

Aug. 28-31—Blue Goose Grand Nest, Montreal.

Sept. 5-7—Health & Accident Underwriters Conference, Chicago.

Sept. 10-12—International Claim Association, Old Point Comfort, Va.

Sept. 10-11—Iowa Agents, Cedar Falls.

Sept. 12—Kentucky Insurance Day, Louisville.

Sept. 12-13—Michigan Agents, Muskegon.

Sept. 18—Western Union, Manchester, Vt.

Sept. 17—Indiana Insurance Agents, West Baden.

Sept. 18-21—National Association of Insurance Agents, West Baden, Ind.

Sept. 24-26—Insurance Commissioners, Rapid City, S. D.

Oct. 1-4—National Association of Mutual Insurance Companies, Milwaukee.

Oct. 1-3—Insurance Advertising Conference, Washington, D. C.

Oct. 1-5—National Safety Council, New York.

Oct. 2-4—Casualty Associations, White Sulphur Springs.

Oct. 3-4—Western Insurance Bureau, Old Point Comfort, Va.

Oct. 10—New Hampshire Agents, Manchester.

Oct. 17-19—Industrial Insurers Conference, Asheville, N. C.

Oct. 24—Wisconsin Insurance Day, Milwaukee.

Oct. 25-26—Tennessee Agents, Chattanooga.

Nov. 9-10—California Agents, Bakersfield.

Nov. 20—Illinois Insurance Day, Chicago.

Alliance Opens Binding Office

For the greater convenience of its agents and contributing brokers the Alliance of Philadelphia has opened a binding office at its home city, and is prepared to take care of business in all parts of the country. The department is under the management of John R. Gallagher, who has been identified with the Alliance for the past five years, previously being connected with the Delaware Underwriters.

Enforce Pennsylvania Ruling

New fire companies intending to write automobile insurance in Pennsylvania have been advised that the various changes in the policy contract, determined upon two years ago by the then commissioner, still hold and must be conformed to. The most important of the changes is the required elimination of the clause requiring appraisal of a loss in the event of disagreement between the insurer and insured. The policy now used in Pennsylvania has been in force for many years, and the idea of preparing a special form for the state is irritating to underwriters. The ruling of the department is not retroactive. Companies operating in the state prior to its issuance are privileged to continue using the old form.

BIG OPPORTUNITY SEEN IN AVIATION'S GROWTH

(CONTINUED FROM PAGE 3)

pilots and for certain restricted classes of risks in a great many companies. Underwriting rules in this regard are being continuously broadened, so that in the near future, the placing of such cases will be less and less difficult. As for the other lines, the field is broad and ever broadening.

Liability Is Big

Liability insurance is one that needs no introduction today, with the development of automobile liability insurance. In the case of the airplane, it is even now compulsory in some half dozen states and urgently desired in all others. Air-line operators are now beginning to see the hazards to which they are exposed. Claims have been encountered of enormous proportions, one recently being filed for \$150,000. Formerly the air companies would launch forth without regard to such risks, but today the operators see that they cannot secure the needed financial backing without insurance protection—nor are they now willing to carry their own risk. Property damage is an allied line which is equally needed. Fire and collision insurance is important from the standpoint of risk to invested capital. Cargo coverage is needed for the rapidly growing cargoes of valuable merchandise moving by air. Personal accident insurance is being sold in high limits. Only last week a \$300,000 policy of this nature was written on Gene Tunney, heavyweight champion, to cover his flight to the fight in New York. All of these coverages combine to make aggregate limits of up to \$1,125,000 on a single plane—and an average premium of \$500 upon which the agent or broker may base a good commission income.

Needs Different Preparation

In the development of such business, the agent cannot follow his usual tactics, for this is a more technical line than any which has yet been developed by insurance—even including marine. The agent who attempts to approach air-line prospects without even knowing the basic vernacular of the air field may expect but poor results. He need not know aviation in all its details—though the more he does know, the better—but he should get a basic knowledge, either from cooperating aviators or from aviation insurance offices, which are always eager to help those in the field to cultivate such business. On the other side, those engaged in aviation are eager to cooperate, for they clearly see the need of the aid of insurance to properly develop aviation.

Underwriting Different

Aviation underwriting is one of the most complicated of all underwriting fields. No two cases are alike and thus no two rates may be quoted alike. There is not even basis for a working schedule for the risks, such as can usually be offered in the other complicated lines, such as marine, compensation and the like. Each plane and each pilot, together with his operator and operation purposes must be jointly considered and a rate devised on the individual merits. As an example, the case of the recent flight of Capt. Carranza, the Mexican pilot, may be cited. He was insured on his flight to the states, but not on his return—and it was on the return that he met his fate. That was what the underwriters had feared and that was why they rejected the risk on the return flight. Conditions were greatly changed for the second flight and it was not deemed insurable. Thus aviation underwriters must watch their risks more closely than in any other field and the agent offering such risks should be also more careful.

There are now many in the field of aviation insurance. In the life insurance end of it there is the United States Life, probably the pioneer in this field,

MORE FOREIGN TRADE NEEDED, SAYS STURM

(CONTINUED FROM PAGE 3)

ability, and this state of affairs has obviously come to pass.

"At the present time we find most of our competitors in world trade emerging from the effects of the great war, and enjoying better conditions than they have experienced in years: the French franc has been stabilized; Germany's manufactures and exports are on the upgrade; England is gradually improving its commercial status at home and elsewhere—all of which make it plain that the struggle for world trade is going to become more acute.

Cooperation Needed

"International trade is predicated, to an even greater extent than domestic commerce, upon the safeguards afforded by insurance. Carriers and their cargoes must be able to obtain such protection or they will not leave port. It is evident that our marine insurance should be supplied to American shippers by American underwriters rather than by foreign concerns because such insurance directly fosters the international business which we must have in order to assure a continuance of the prosperous conditions that have meant so much to the people of this country. With a union of American shipping, American banking and American insurance, however, we need have no fear for the future of our foreign trade."

Broaden Aircraft Damage Policy

The aircraft damage policy issued by the Hartford Fire has been broadened in its coverage to meet the growing needs of aviation. As described in the July issue of the Hartford "Agent," the Hartford aircraft damage policy now sells at the rate of 10 cents a hundred with a minimum premium of \$5, on an annual basis; and 25 cents a hundred, with a minimum of \$12.50 for a three-year term policy. There are now no restrictions as to location or proximity to aviation fields or air ports. The policy covers contents as well as the building itself. Because this policy can be written in the local agent's office and bound by the agent himself, the aircraft damage policy is a popular one. Agents report that this policy is particularly useful in gaining an entree to other lines of a prospect's business.

Wants Rule Rescinded

NEW YORK, Aug. 1.—The recent request of the insurance department that the automobile writing companies rescind their rule prohibiting the granting of full theft coverage in certain centers in this state, was the occasion for the special meeting of the executive committee of the Eastern Automobile Underwriters Conference here today.

the John Hancock Mutual, the Prudential and the West Coast Life, with others writing here and there and several writing certain classes of the less hazardous risks. The Mutual Life of New York is added to this list this week, with still some restrictions on regular pilots. The other coverages are being offered by Barber & Baldwin, the pioneers in their field, and also the underwriters for the United States Life as well as the Independence companies; the Transportation companies of William McGee, the marine underwriter, and the new United States Aircraft Insurance pool, in which four fire and four prominent casualty companies are operating. This makes formidable competition and promises a keen, though stable, development of the business. Its stability is assured, for thus far all entering the field have recognized the importance of closely following the technical side of the business and have developed organizations more closely knit to aviation than to insurance production.

SECURITY FIRE INSURANCE CO.

of Davenport, Iowa

Commenced Business 1883



SURPLUS TO POLICYHOLDERS OVER ONE MILLION DOLLARS



*A Good Company
for Agents*

*Record of 117
Years of Faithful
Service to Recommend It*

NEWARK
FIRE INSURANCE COMPANY

NEWARK, N. J.

T. L. FARQUHAR, President

WESTERN DEPARTMENT

CHICAGO

ELWIN W. LAW, General Manager

THE NATIONAL UNDERWRITER

Formerly THE WESTERN UNDERWRITER

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Touch of the Heroic is Seen

THERE is not often the touch of the heroic in the work of the insurance men that appeals to the public. There is not the dramatic glamour that attracts wide attention. Once in a while we have in the quiet, ordinary walks of insurance men an exhibition of the highest human qualities that elicit real admiration. However, these achievements do not come before the public gaze and even the insurance men themselves do not realize their importance.

The last two months or so, companies writing hail insurance in Kansas and Oklahoma have been pelted with losses. Thousands of farmers have made claims. This is particularly true in Kansas. It has been impossible for the companies to employ sufficient responsible and competent adjusters to meet the demand. The men on the job therefore have had to bear the burden.

Here are silent workers, unsung and unheralded, who deserve some attention. Almost every claim means a dispute with the farmer. This is due to the fact that rain has been continuous in Kansas. There has been considerable wind. At one time the wheat stalks were infested with a worm which weakened the grain. There has been much hail. In some cases the wheat stalks had been beaten down and almost covered with mud. As soon as one loss was adjusted, another storm of some kind would come and the farmer would

make a claim. It is the most difficult thing in the world to separate the hail loss from the wind and rain loss. The harvest came and the farmers were unable to get into their fields because of the rain. As soon as a breeze struck the wheat field if the heads were dry enough, the grain shelled out. The farmers were confronted with a serious crop loss. Naturally they hoped to get as much as possible back from the hail insurance companies. The weather has been intensely hot and the roads at times were almost unnavigable. The adjusters had to drive over almost impassable roads, which was a nerve racking process, and then go out into the hot fields, get down on their knees, lift the stalks up from the silt and mud and endeavor to ascertain the hail loss.

Owing to the large number of losses these adjusters start to work in the morning as soon as it is daylight and keep it up until darkness ended the day. Then they have to go to their hotel or stopping place and make up their papers and answer correspondence with their companies. It has become a test of physical and mental endurance.

These heroic, determined, hard working adjusters have kept at the job every day. There has been no respite for them. Every Sunday brought its toil. Every claim meant a struggle. These men deserve from the insurance fraternity at least its greatest commendation.

Deserved the Crown of Life

THE death of EDWARD B. HATCH, secretary of the WESTERN UNION, brings out many expressions of esteem for this official owing to his long, faithful and loyal service. Mr. Hatch had served the WESTERN UNION since 1896. He was a man of even temperament, diplomatic, conscientious and careful of his speech. He knew the policies and politics of the organization. Even under the most exasperating circumstances he kept his feet on the ground and a smile on his face.

This brings to mind that the men who are the salaried men of organizations and who are responsible for carrying out their policy occupy a most difficult position. It is not a hard matter to obey the mandates of one su-

perior or even two or three superiors. It does require a high order of talent and a special mental equipment to attempt to satisfy a large number of bosses, as a manager or secretary of an organization must necessarily do. He has many people to keep unruffled. He has to bear much criticism, hear many complaints and listen to numerous charges. Most men have not the characteristics to enable them to pursue a course of this kind consistently, impartially and successfully. Mr. Hatch possessed those elements of mind and character that enabled him to carry on his work satisfactorily and elicit the admiration and confidence of all with whom he came in contact.

PERSONAL SIDE OF THE BUSINESS

M. E. Williams of McAlester, Okla., prominent local agent in that city and president of the Oklahoma Association of Insurors, has been in Chicago for a number of days. Mr. Williams' mother, who is 80 years old and accompanied him on the trip, fell on the sidewalk and sustained an injury which confined her to her hotel for a number of days. Mr. Williams is now assisting in preparing the program for the annual meeting of the organization at Oklahoma City. He anticipates an attendance of 300.

Mr. Williams was taking his mother to Mt. Clemens, Mich., for the summer.

Commissioner Clarence C. Wysong of Indiana is a member of the Indiana National Guard with the rank of colonel. On Saturday of this week he will go to Camp Knox in Kentucky for a 15 days period of training. Colonel Wysong will serve as judge advocate of the 38th Division.

The Syracuse, N. Y., "Post-Standard" in a story captioned "Man Climbing in Window Is Caught Reading Letters" has a juicy story regarding Eugene A. Beach, well known insurance man of that city, former secretary and former president of the New York State Association of Local Agents and prominent in the National Association of Insurance Agents. Here is what the paper says:

"There's a burglar climbing into a second story window with a ladder," exclaimed the excited voice of a woman over the telephone to Acting Sergeant Schmit at police headquarters last night. "Where?" asked Schmit.

"770 Ostrom avenue," came the voice. "The people living there are away for the summer."

Detectives Flood and Hennessey, Acting Detective Weber and a detail of officers from the Beech street precinct were soon answering a hurry call to the home.

Arriving there they disembarked from their several vehicles in time to see a light flash on inside the home. Outside they saw a ladder leading to a second story window. Officers guarded entrances while others hurried in.

A man was standing by a table reading some mail. He didn't look at all like a burglar.

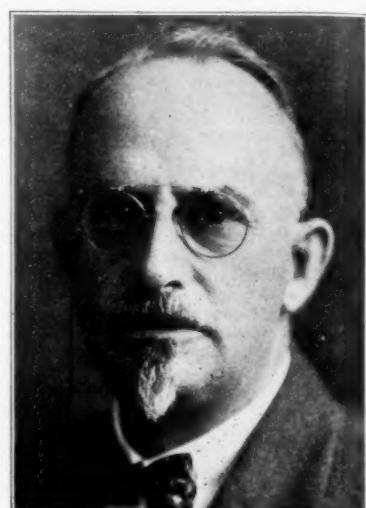
"What you doing here?" one officer asked.

"Doing here?" exclaimed the man. "Why reading my mail, of course." Then he laughed. "Yes, I did get in a window because I forgot my key when I came back. Eugene A. Beach, that's the name and I live here. It's all right."

And officers found it was.

A number of leading members of the Insurance Advertising Conference are speaking of John W. Longnecker, manager of the advertising department of the Hartford Fire, as the possible next president of the organization. Clifford Elvins of the Imperial Life of Canada is president at this time. It has been the practice to alternate a life and fire or casualty man. Before Mr. Elvins, Warren W. Ellis, who had been advertising manager of the Commercial Union Fire group, was president. Mr. Longnecker is probably entitled to the position in seniority of service and rank. However, the prominent members of the conference are not backing him for that reason. They realize that J. W. Longnecker would give the Insurance Advertising Conference a vigorous, useful, forceful administration. Mr. Longnecker has a personality that marks him as distinctive. He is fertile in ideas and practical in their application. He was born and reared in the great open spaces of the west, where he had plenty of opportunity to ponder, meditate and reform.

He pioneered in his work with the Hartford Fire and from the very first number of the "Hartford Agent" made that house organ a successful venture. Mr. Longnecker had original ideas in advertising and publicity. The Hartford Fire was the first fire company to



JOHN W. LONGNECKER
Advertising Manager, Hartford Fire

plan an extensive advertising campaign in the magazines. In his service to the Insurance Advertising Conference, Mr. Longnecker has been unselfish and has never sought personal preferment. He served as president of the Hartford Advertising Conference with great credit. He has been interested in advertising organizations, has studied the subject from stem to gudgeon. Mr. Longnecker's friends agree that he would not accept the position as president from the standpoint of honor, but would regard it only as a basis for further extention of the influence of the conference.

George Olmsted, vice-president of the Olmsted agency of Des Moines, also president of the Junior Chamber of Commerce there, has been appointed vice-president of a national junior chamber committee, which will have the working out of an affiliation of the United States Junior Chamber of Commerce with the United States Chamber.

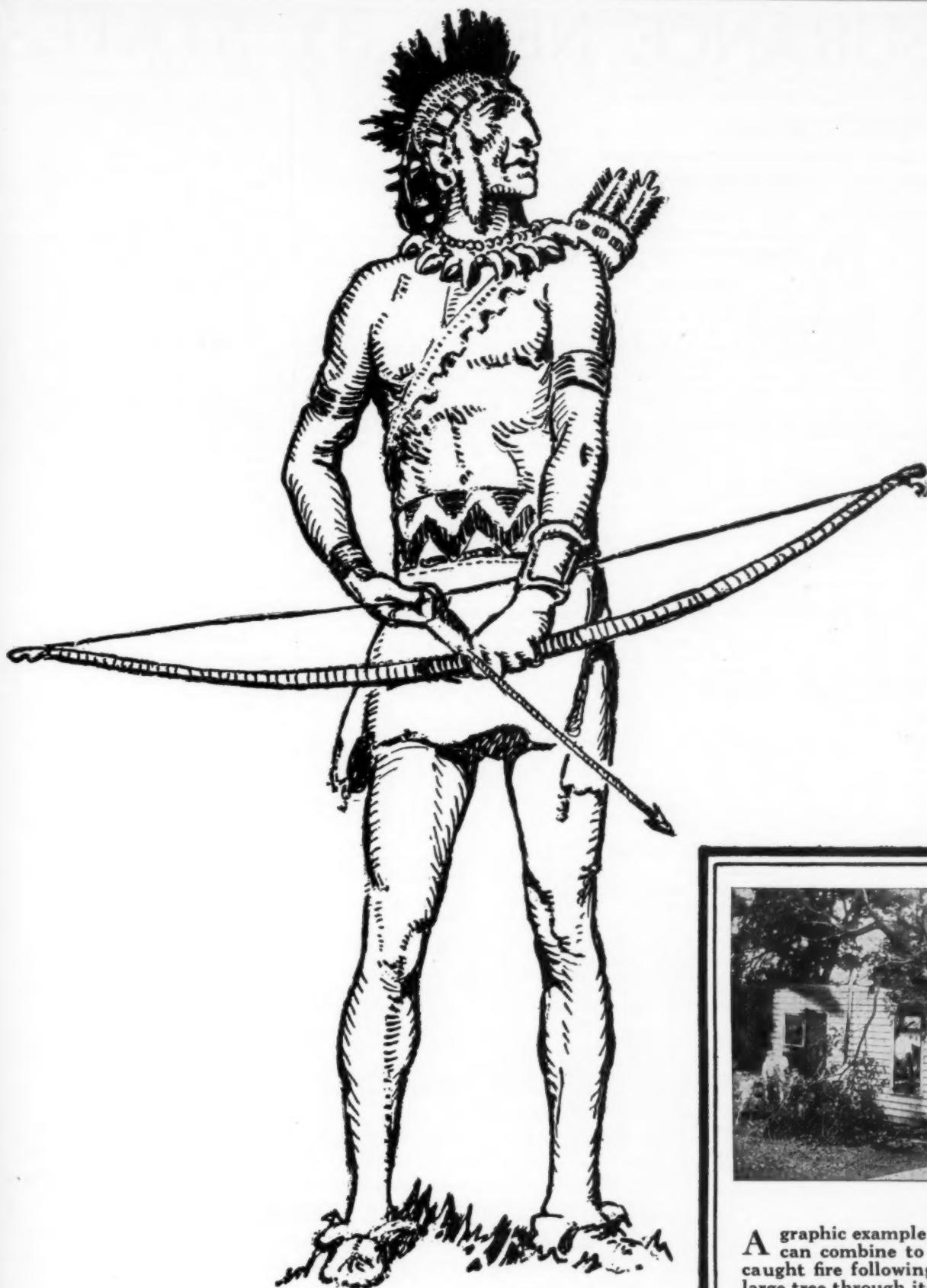
Thomas Scotland, retiring assistant secretary of the Hartford Fire, has closed his desk and started an indefinite vacation. Accompanied by his wife, he sailed early in the month to pay a visit to scenes of his birth and childhood in Scotland.

Mr. Scotland, who was born in Scotland 64 years ago, came to the United States in 1882. He was 20 years old when he entered the agency of Knowles & Russell, at Albany, N. Y. After 10 years' experience in a local agency he became examiner for the Hartford, working in the home office.

In 1898, he was elected vice-president of the Reading Fire of Reading, returning to the Hartford when the Reading Fire was reinsured in 1902. The next year Mr. Scotland was appointed general agent of the Citizens of Missouri, and went to the St. Louis office of that company. He was later elected secretary of the Citizens.

In 1910, he returned to the Hartford as superintendent of agencies, while still retaining his title of secretary for the Citizens. At the annual meeting of the stockholders of the Hartford Fire, early in 1914, a new office, that of assistant secretary, was created and Mr. Scotland was elected to fill it.

When the time came for him to close his desk and turn over the many duties he has carried so well for so long, the officers gathered to wish him a pleasant journey. President Bissell, as spokesman, presented him with a fine watch, that he might be frequently reminded of the years of his labor while enjoying the leisure won by his industry.



"AMERICA FORE"



Photo by Nashville Banner

A graphic example of how storm and fire can combine to destroy! This house caught fire following the crashing of the large tree through its roof.

Be sure the insurance policies of your clients protect them against such an eventuality.

FIRST AMERICAN FIRE INSURANCE COMPANY

EIGHTY MAIDEN LANE, NEW YORK, N.Y.

CREDIT STANDING: A+ OF THE BOND
RATING: A+

'CASH CAPITAL — ONE MILLION DOLLARS

NEW YORK CHICAGO MONTREAL DALLAS SAN FRANCISCO.

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

VICTORY IN OHIO TAX CASE

Companies Win Test Suit to Determine Validity of Premium Tax Increase

A decision favorable to insurance companies in the Ohio premium tax litigation was rendered by the lower court when Judge Henry L. Scarlett of the Court of Common Pleas of Franklin county (Columbus), O., overruled the demurrer of the defendant to the petition in the case of Metropolitan Life vs. Safford. This case is a test suit, authorized by the Association of Life Insurance Presidents, instituted last October in the name of the Metropolitan Life as a class suit for the benefit of all insurance companies similarly situated, contesting the validity of the one-half of 1 percent premium tax increase imposed by the Ohio legislature in 1927 in so far as applicable to premiums collected in 1926.

The decision overruled the demurrer and sustained the company's contention that the Ohio premium tax payable each year in the "month of November" is a tax on the business of the previous year and, therefore, the one-half of 1 percent increase enacted in 1927 is invalid with respect to 1926 premiums under the provision of the Ohio constitution prohibiting retroactive laws.

In concluding his decision, Judge Scarlett said:

"The demurrer to the petition will therefore be overruled; and if the defendant does not desire to plead further, as I assume (all questions having been raised by the demurrer) the injunction will be made permanent against the defendant. The entry should also provide for the release of the money in bank to the insurance companies upon the completion of this case if this judgment is affirmed."

Under Ohio practice 30 days is allowed for filing an appeal.

WILL INVESTIGATE RATES

Fackler & Briby of New York Are Engaged by the Ohio Insurance Department

COLUMBUS, O., Aug. 1.—Fackler & Briby, consulting actuaries of New York, are named by William C. Safford, superintendent of insurance, to investigate fire rates in Ohio.

A comprehensive survey of company records will be made, in order to obtain complete data as to rates, premiums collected, losses paid, underwriting and adjustment expenses, and earnings and losses—both as to underwriting and investments, Mr. Safford said.

Risks will be classified, and the investigation will cover a period of five years, as, according to Mr. Safford, an experience of a lesser period would not be fair to either the public or the insurance companies.

Following the experience report of the actuaries, Mr. Safford said their recommendations will be made public. Before any action is taken by the department an opportunity will be given for public hearings before the department, at which persons or companies may air their grievances and submit arguments.

Investigation of individual and local complaints will not be halted by the general investigation. Such investigations may or may not have a bearing on the general investigation, Mr. Safford said.

CODE COMMITTEE FOR OHIO

Attorneys Will Consider Insurance Laws and Make Recommendations to Next Legislature

John A. Elden, president of the Ohio State Bar Association, has announced the appointment of Wilbur E. Benoy of Columbus as chairman of the newly created insurance code committee. Mr. Benoy has had much experience in insurance work, being at the present time engaged mainly in the practice of insurance law as a member of the firm of Conn, Hoke, Wright & Benoy, of which Judge Harry L. Conn, formerly insurance commissioner, is the senior member.

The purpose of the committee is to suggest a revision and recodification of the insurance laws, many of which are antiquated and some of which are conflicting.

Mr. Benoy has made the following statement:

"It will be the object and purpose of the committee to give conscientious and thorough study to a proposed insurance code which is fair to the insurance interests and the policyholders alike and which will provide for the proper regulation of the activities of the companies and the continued preservation of the solvency of the enormous funds now entrusted to the keeping of the insurance companies.

"It is anticipated that the committee will have the matter under consideration for some time before any public hearings are attempted. Any and all suggestions which may assist the committee will be appreciated and given due consideration."

REPORT IS MADE ON CITIES

National Fire Protection Association Field Men Have Been Active in West Virginia

The National Fire Protection Association news letter contains some information gathered by field men regarding West Virginia cities. The reports say:

Huntington, W. Va.—With the letting of the contract for a new fire alarm system the last of the money voted in a bond issue two years ago by the people of the city for improvements in the fire defenses is being spent. The new fire alarm system is to cost \$125,000 of which about \$30,000 exceeds the amount available from the bonds, but which will be appropriated during the current year. The city commissioners decided to spend this additional sum now which would eliminate the need of further expense for some years to come. On his last visit a few months ago Field Engineer Bugbee assisted the commissioners in the selection of a site for the headquarters of the system, this question having held up action on the matter till then. The fire prevention bureau of the Chamber of Commerce and the fire department are cooperating in a program to remove fire hazards. The fire department is making nearly 900 inspections a month and reports the recent razing of some thirty dilapidated and fire-breeding structures.

Parkersburg, W. Va.—This is a city of about 22,000 population. For fire apparatus it has two pumping engines, three combination chemicals and an aerial ladder. The department is short-handed to such an extent that there are no men to man the aerial ladder. When it is needed at a fire two men must be sent back for it. No provision for proper drills is made, there being no drill school or tower. Inspection work is only fair and is done only when a man can

be spared from a company. Very little outside aid could be obtained, and then probably only one engine company from Marietta, O. Structural conditions are weak and there are plenty of buildings which could develop large fires. There are a few sprinklered buildings which form important fire stops, but these are not numerous at present. There is a building code but it has no penalty clause, and a building inspector has never been appointed, so it means very little.

This combination of bad structural conditions, a weak fire department and lack of outside aid makes the fire situation very serious. A conflagration is more than likely at any time. Field Engineer Bond was in Parkersburg last month conferring with the fire prevention committee of the Chamber of Commerce, the fire chief and superintendent of public safety in an endeavor to secure a correction of some of these defects. The city seems to feel that it cannot afford either more men for the fire department or a building inspector, the need for both of which is especially acute.

Wheeling, W. Va.—A newly organized safety council is already giving attention to fire prevention work in a child safety campaign which is one of its first activities. A spring clean-up week will be observed and the early organization of a fire prevention division is planned.

FEDERATION NOW STRONGER

Ohio Organization Has Had Some New Enthusiasm Injected Into Its Hardened Arteries

The Insurance Federation of Ohio is making an active campaign for membership in the state. Letters are being addressed to the agents calling attention to the fact that the dues are \$5 a year and that the Insurance Federation is strengthening itself in order to present a united front against threatened insurance legislation. While the letter being sent to the members does not mention any particular legislative issue which is expected to arise, it is known that compulsory automobile insurance is sure to come forward in the next Ohio legislature.

The officers, executive committee and directors of the Insurance Federation of Ohio include 30 men representing every branch of the insurance business in the state, presidents of companies, local agents, representatives of mutuals, fraternals and stock companies. James R. Millikan, general agent of Fidelity & Casualty in Cincinnati, is president, and Trafford Tallmadge, general agent United States Fidelity & Guaranty in Columbus, is secretary. Other officers are Russell M. Knepper, Columbus, first vice-president and general counsel; Harold Pierce, manager Cleveland office Guardian Life, second vice-president; Cliff C. Corry, general agent, Springfield, third vice-president. Members of the executive committee are Charles A.

Wikoff, president Insurance Society of Columbus, chairman; C. L. Krum, agency superintendent Aetna Life, Cleveland; Charles Williams, vice-president Western & Southern Life, Cincinnati; H. L. Walker, National Masonic Provident, Mansfield; Franklin Rubecht, president Ohio Fraternal Congress, Columbus, and H. H. Hoard, general agent, Cleveland.

Members of the board of directors are H. C. Anderton, Anderton & Anderton, general agents, Dayton; John P. Francis, president J. P. Francis Agency, Youngstown; James A. Maddox, agency superintendent American Insurance Union, Columbus; John F. Ankenbauer, A. W. Shell & Co., Cincinnati; F. H. Hawley, president Ohio Farmers, Le Roy; E. W. Reynolds, general agent, Akron; Harry B. Arnold, president Midland Mutual Life, Columbus; Richard T. Huggard, state agent Great American; C. M. Ringo, Ringo Insurance Agency, Ironton; Fred B. Ayer, president F. P. Thomas Company, Cleveland; N. C. Sherburne, secretary Ohio Fraternal Congress, Newark; William Earls, Earls-Blain Company, Cincinnati; William Leonard, Cincinnati; Glenn C. Webb, Lima; Harry W. Falconer, Falconer & Dunbar, Toledo; A. F. Little, secretary Federation Mutual Insurance Association of Ohio, Covington; and Ed. L. Young, great commander Maccabees Camp of Ohio, Norwalk.

Resist Order to Sell Building

MANSFIELD, O., Aug. 1.—It is understood here that the insurance department will appeal the order of the court for the sale of the home office property of the Great American Mutual Indemnity to the Y. M. C. A. for \$80,000. Some time ago the insurance department asked the court for an order to sell the property, the department to have the right to reject any or all bids. A number of bids were submitted, but the department rejected all of them. Action was brought to compel the department to accept the bid of the Y. M. C. A. and the court ordered that the bid be accepted. It is reported that the department hopes to close up the affairs of the company without the necessity of selling the home office building.

Ohio Notes

A fire which started in the boiler room of the U. S. Radiator Corporation's plant in Cleveland caused an estimated loss of \$35,000.

The Park Brothers Insurance Agency of Columbus, O., has moved to new quarters in the Beggs building at 21 East State street.

Tramps sleeping in the building are believed to have caused a fire which destroyed the plant of the Aspin Basket Company at Chardon, O. The loss is \$100,000.

Michael J. Hanly, 68, president and general manager of the M. J. Hanly Company local agency, Columbus, O., was struck by an automobile a few days ago and suffered a fracture of his right leg and bruises about the body. He is confined to a hospital with his injuries.

CENTRAL WESTERN STATES

HELD FOR EXPLOSION LOSS

Michigan Supreme Court in Lansing Case Rules That Fire May Have Preceded Explosion

LANSING, MICH., Aug. 1.—The practical impossibility of an insurance company escaping payment of an explosion loss under a fire contract, when the blast is accompanied within a brief period by fire, was demonstrated when the Michigan Supreme Court upheld the jury's award to Nathan Judson, local business man, in his suit against the Manhattan Fire under a fire policy on his business building, destroyed in

March, 1927, by a mysterious explosion and fire.

The company, which had accepted the business through Judson as agent, resisted payment largely on the ground that there was no evidence presented that fire existed before the explosion. A Lansing patrolman, who had tried the door of the building a minute or two before the blast, testified that he had observed no evidence of fire in the building until several minutes after the walls had been demolished by a shattering explosion, which broke windows for blocks around and left scarcely a brick in its place in the affected structure. He said, however, upon cross-examination, as did some other witnesses, that they first saw flames com-

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

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A. H. HASSINGER, Vice President

JOHN KAY, Vice President and Treasurer
WELLS T. BASSETT, Vice President

JANUARY 1ST, 1928, STATEMENTS

ORGANIZED 1855
FIREMEN'S INSURANCE COMPANY
OF NEWARK, NEW JERSEY

ASSETS	LIABILITIES	CAPITAL	NET SURPLUS	SURPLUS POLICYHOLDERS
\$40,000,136.83	\$19,459,279.01	\$7,500,000.00	\$13,040,857.82	\$20,540,857.82

ORGANIZED 1853
THE GIRARD F. & M. INSURANCE COMPANY
OF PHILADELPHIA, PA.

\$6,000,966.28	\$2,930,594.84	\$1,000,000.00	\$2,070,371.44	\$3,070,371.44
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ORGANIZED 1854
MECHANICS INSURANCE CO.
OF PHILADELPHIA, PA.

\$4,828,245.29	\$2,820,808.63	\$600,000.00	\$1,407,436.61	\$2,007,436.61
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ORGANIZED 1866
NATIONAL-BEN FRANKLIN FIRE INS. CO.
OF PITTSBURGH, PA.

\$4,907,721.63	\$2,557,216.60	\$1,000,000.00	\$1,350,505.03	\$2,350,505.03
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ORGANIZED 1871
SUPERIOR FIRE INSURANCE CO.
OF PITTSBURGH, PA.

\$4,835,369.35	\$2,520,317.56	\$1,000,000.00	\$1,315,051.79	\$2,315,051.79
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ORGANIZED 1870
CONCORDIA FIRE INSURANCE CO.
OF MILWAUKEE, WIS.

\$5,250,424.26	\$2,567,447.92	\$1,000,000.00	\$1,682,976.34	\$2,682,976.34
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ORGANIZED 1886
CAPITAL FIRE INSURANCE CO.
OF CONCORD, N. H.

\$760,298.04	\$375.00	\$300,000.00	\$459,923.04	\$759,923.04
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TOTAL OF ASSETS	TOTAL OF LIABILITIES	TOTAL NET PREMIUMS
\$66,583,161.68	\$32,856,039.61	\$25,684,495.78

WESTERN DEPARTMENT

844 Rush Street
Chicago, Illinois

H. A. CLARK, Manager

Assistant Managers

H. R. M. SMITH

JAMES SMITH JOHN R. COONEY

EASTERN DEPARTMENT

10 Park Place

NEWARK, NEW JERSEY

CANADIAN DEPARTMENT

461-467 Bay Street

TORONTO, CANADA

MASSIE & RENWICK, Limited,

PACIFIC DEPARTMENT

68 Sansome Street

San Francisco, California

W. W. & E. G. POTTER,

Managers

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

ing from the upper part of the wreckage. It was held by the court, therefore, that fire might have existed in the upper floor of the building, which was occupied as a dance-hall and had been in use earlier in the evening, and that the flames could not be easily observed from the street level until gases were ignited and the explosion occurred. Two justices dissented.

NO GAINS BY RECIPROCALES

Make Little Real Advance in Michigan, Despite Exaggerated Reports of Their Activities.

LANSING, MICH., Aug. 1.—Reciprocal agents are not making material gains in Michigan at the present time and they are not increasing in number, according to representative stock insurance men. One outstanding automobile reciprocal, the Inter-Insurance Exchange of the Detroit Automobile Club, writes the largest auto business in the state and there are a few smaller carriers organized on this plan, such as the Casualty Association of America, the Valley Insurance Exchange and the American Casualty Underwriters, which also do a fair business in this field, but the reciprocals operating in the straight fire field have an almost negligible volume.

From time to time, exaggerated reports are published in which it is declared that reciprocals are being organized on a wholesale basis and are making inroads into the stock carriers' business. But analysis of these reports, it is declared, shows them not to be founded on fact. The Valley exchange, which operates in the Saginaw valley cities of Saginaw, Bay City, and Flint for the most part, and the American Casualty Underwriters of Muskegon are the newest Michigan exchanges, according to department officials, yet both of these have been operating on their present basis for around two years. Since they were granted licenses, however, two reciprocals of larger size have been stocked by their attorneys-in-fact and are now thriving young stock carriers. These are the Republic Automobile of Detroit and the Preferred Automobile of Grand Rapids.

While it is freely admitted by stock insurance men and occasionally by state officials, that the present Michigan laws dealing with reciprocals are inadequate and give the department practically no actual legal control, it is also noted by those willing to make comparisons that Michigan reciprocals are more closely regulated and their managements have proved more sound in their policies than

the exchanges of some other states where departmental powers are much broader. Stricter laws might only give the reciprocals better talking points without greatly altering their status, it is pointed out, and might actually make them stronger competitors than ever of the stock carriers. Under the present situation, it is admitted, any intelligent stock agent can persuade any intelligent prospect that it is unsafe to insure with a reciprocal. Whether it would be as easy with strong laws giving an apparent safety to a form of insurance that cannot be safe is considered problematical.

Will Continue Moisant Drive

Harry J. Leach of Morris, Ill., chairman of the organization committee of the Illinois Association of Insurance Agents, announces that at the suggestion of many members the Shirley E. Moisant membership drive will be extended to the time of the annual meeting of the organization. It was found that July was too much of a vacation month to accomplish what was desired and August promises the same sort of results. Therefore in appreciation of Mr. Moisant the campaign will continue right up to the meeting.

Fay Morrissey Is Dead

Fay Morrissey of Champaign, Ill., well known local agent and member of the Monier-Morrissey Agency, died suddenly Friday from heart trouble. Mr. Morrissey formerly traveled in the field for the Starkweather & Shepley companies. He was one of the best known agents in the state.

Unlicensed Agent Binds Company

LANSING, MICH., Aug. 1.—Failure of a solicitor to comply with the insurance law requiring agents to secure a license does not affect his power to bind the company so far as the assured is concerned, according to a decision just rendered by the Michigan Supreme Court in the case of Coverwill vs. Northern of New York. In this case a solicitor who had been in the insurance business for ten years, but was not licensed, was notified by a policyholder of a change of residence, but failed to have the policy transferred to cover at the new location. The company was held bound by this notice.

Report Made on Belleville

The National Board engineers, in reporting on Belleville, Ill., state that improvements in the water supply and fire department are now effective, but it is evident that they are not of sufficient magnitude for the urgent needs of the city. A bond issue for \$60,000 for fire

department purposes was defeated in the election in April. The principal deficiencies in the fire fighting facilities have been called to the attention of the city officials.

Moriarty Appoints Inspector

Manager P. J. Moriarty of the Wayne county department of the North British & Mercantile and associate companies announces the appointment of Fillmore G. Lisle as inspector for the Wayne county office in Detroit. Mr. Lisle is a graduate of Northwestern University and has been connected for the past six years with the Chicago office of the Hartford Fire as special hazard examiner.

Open Indianapolis Branch Office

The Independent Bonding & Casualty and the National Guaranty Fire of Newark, have opened a branch in Indianapolis at 619 Illinois building with Harry C. Baldwin as manager. Mr. Baldwin is well known in the insurance field throughout the middle west. E. B. Maurice has been named special agent for Marion county, of which Indianapolis is the county seat.

Mr. Maurice is also well known in fire insurance circles and at one time was special agent of the National Union in Indiana. W. Dietzmann of New York City is chief examiner and underwriter for both companies.

Question Over Terre Haute Insurance

Insurance on various county buildings at Terre Haute, Ind., in the sum of \$456,000, which expired recently, will be renewed under a blanket policy until the commissioners can get together on plans for \$300,000 insurance which will be carried from this time forward. There is some dispute among the commissioners concerning distribution of the insurance. At first it was planned to select about 30 agencies, members of the local board, and apportion the policies equally among them, but one commissioner advanced a plan for giving some more than others, thereby causing the difficulty. The matter will have to be ironed out before the insurance can be issued to the different agencies.

C. of C. Committee Active

INDIANAPOLIS, Aug. 1.—The insurance committee of the Indianapolis Chamber of Commerce, of which Joseph W. Stickney is chairman, has been meeting regularly each month and is developing a program of service to the membership. At present considerable attention is being given to the problem of apprising members of the chamber and other insurance buyers of the operations of fire companies not licensed in Indiana. At a meeting of the committee last week a list of such unauthorized companies was secured by the committee through the assistance of Commissioner Wysong. It is the intention to give this list of companies publicity with a warning that

the placing of insurance in unauthorized companies is pretty apt to lead to grief in case of a loss. Especially is this true with the companies in the list referred to, most of which are foreign companies which are not admitted to do business in the United States. Mr. Stickney and the members of his committee feel that there is a real opportunity for service that can be rendered by an insurance committee and all agree that there is much need for educational effort among insurance buyers. The administration of the Chamber of Commerce is in hearty sympathy with the purposes of the committee.

Issues Pamphlet on Explosives

INDIANAPOLIS, Aug. 1.—Horace W. Carey, chief of the fire prevention bureau of the Indianapolis fire department, has compiled and published a valuable pamphlet on "Explosives and Inflammable Liquids." He is striving to reach the Indianapolis public with all fire prevention information possible.

Illinois Notes

The oil and gasoline storage tank of the White Star Refinery near Wood River, Ill., burned last week. The loss was estimated at between \$150,000 and \$200,000.

Fire July 28 destroyed the ground structure and machinery of Eureka Mine No. 2 at Clarmin, Ill. The loss was estimated at \$20,000. The mine had been idle for some time but the Jones Brothers Coal Company, owners, had just installed new machinery and had planned to resume operations in the near future.

NORTHWESTERN STATES

SUFFERED USUAL EXPERIENCE

Green Bay Office Sent Away Premiums and Found Losses Were Ignored

J. H. Moore, well known local agent at Green Bay, Wis., writes a word of warning to his fellow agents telling them some of the grief in writing insurance in companies that are not licensed in any state, but are seeking all kinds of business at liberal commissions. Mr. Moore says:

"Believing that there might be other misguided insurance men throughout the country, I am writing this as a word of warning so that others may take advantage of our experience."

"Early in 1927 we 'fell' for the numerous letters that we received asking us for our surplus lines that authorized companies would not accept. When I say 'fell,' it was some fall. We proceeded to put our dance halls, saloons, roadhouses, closed down breweries, etc,

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PITTSBURGH
COLUMBUS

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DULUTH

DETROIT
BUFFALO
RICHMOND

through a Jersey outfit, and here's where the Jersey horned us. First, it cost \$15 to obtain a license from the Wisconsin commissioner, then these underwriters charged a federal tax, allowing the usual 15 percent on the premium which had to be remitted within 30 days. Our main supply of business was from other agencies on which we allowed 10 percent, and nothing at the time was said about this agency or their agency paying the state tax. When we presented the bill for 4½ percent state tax they returned it to us, telling us that it was part of our expense, so, we handled all the lines for the brokers at one-half of 1 percent overhead, which, of course, did not pay for the postage.

"While representing this 'Jersey Bull' outfit we had two claims, which they have seen fit to absolutely ignore, and we are being sued by lawyers representing our clients, and causing us to lose our face with a lot of our good customers. Taking it all in all, this is an experience that should be broadcasted."

Minnesota Agents' Meeting

The Minnesota Association of Insurance Agents will hold its annual meeting Aug. 23 in Minneapolis. Secretary P. H. Ware announces that an official of the National association will be present to address the gathering but the other details of the program have not been definitely determined. R. M. Thompson is president of the association and E. A. Sherman, executive secretary.

South Dakota Hail Loss

Approximately 100 square miles of crops from north of Wessington Springs southeast through Lane, S. D., were reported totally destroyed when a 20-minute hail storm struck that territory. The storm was said to be the most destructive within the memory of residents. Stones as large as hen's eggs beat the small grain and corn into the ground, destroying one of the most promising crops in that section.

Praises Minnesota Forest Service

ST. PAUL, Aug. 1.—After a visit to northern Minnesota, J. G. Peters of Washington, assistant United States forester in charge of public relations, stopped in St. Paul and approved the Minnesota forest service's work in guarding against forest fires.

Minnesota's forest fire risk is greater than that of any state east of the Mississippi. The federal allotment given Minnesota is exceeded by that of only one state. Mr. Peters stated that on the basis of the enormous risk and the comparatively small area burned over this year, the efficiency of Minnesota's fire prevention force has increased 300 percent in the past five years.

Cooperative Protection Plan Blocked

MADISON, WIS., Aug. 1.—A cooperative fire protection system has been

blocked by an opinion of the attorney-general's office. The plan called for the purchase and maintenance of fire fighting equipment jointly by the city of Edgerton and the towns of Fulton and Porter in Rock county, and Albion in Dane county. The equipment would be stationed and manned from Edgerton.

The attorney general was asked whether the town boards of Fulton and Porter had the power to appropriate money for this purpose, and replied that while the statutes provide for individual action of this nature, they make no provision for cooperative effort along the same line and that the plans could not be completed unless the legislature specifically confers such power on the towns.

Bureau Has Two Assistant Managers

MILWAUKEE, Aug. 1.—The assistant management of the Wisconsin Inspection Bureau is to be held jointly by A. P. Kohler and W. L. Phelps, according to an announcement by George Nichols, manager of the bureau. They will take the place of the late L. R. Gustin, who was drowned recently.

Mr. Kohler at present is in charge of the city of Milwaukee department at the main office here, and will retain that department. Prior to coming to the Milwaukee office he was manager at the Madison branch for several years. Mr. Phelps has been in charge of the Oshkosh branch for a number of years. His successor is to be named later.

Insurance Day Reception Committee

MILWAUKEE, Aug. 1.—Paul E. Rudd, state agent for the Aetna in Wisconsin, and Mrs. Myrtle B. West of the West-Nevitt Agency, Oshkosh, are to be members of the entertainment and reception committee for the Wisconsin Insurance Day, it is announced by John A. Keelan, president of the Wisconsin Insurance Federation. George E. Haydon, manager of the Wisconsin Compensation Rating & Inspection Bureau, is chairman of this committee.

Increase Appleton City Insurance

APPLETON, WIS., Aug. 1.—Insurance contracts on city property and buildings will aggregate \$115,000 this year and the policies will be divided among the agents of this city. Last year 15 agents participated in the insurance which totaled \$102,500. Insurance amounting to \$40,000 will be taken out on the city hall and library building, the police and fire station will be covered for \$10,000, and the poorhouse will be insured for \$20,000.

Wisconsin Notes

Haskell Noyes, secretary of the Leedom, Miller & Noyes Co., Milwaukee, has been appointed a member of the Wisconsin conservation commission by Governor Zimmerman. Mr. Noyes is chairman of the national executive committee of the Izaak Walton League.

The village of Rio, Wis., last week held a dedication of its new community fire truck. In the morning an industrial parade was held, all business houses having floats and in the afternoon dedication talks. G. A. Strasen, special agent of the American of Newark, was the speaker.

IN THE MISSOURI VALLEY

FARMERS BUY FIRE TRUCK

New Fire Fighting Equipment Purchased at Elgin, Ia., for Rural Protection

After some months of agitation and organization the farmers in the vicinity of Elgin, Ia., have completed a system of fire protection. A rural farm fire association has been formed in the territory contiguous and a four tank chemical engine mounted on a ton and a half truck recently has been received. The fire fighting equipment will be available in fighting rural fires within a radius of seven or eight miles. This is probably the first rural equipment of the kind in Iowa.

The idea of the farm fire truck originated in the Elgin volunteer fire department. When the truck belonging to the town has been used to answer country

calls some of the citizens complained that it left the town without protection, which was true, because all of the town hose and the chemical equipment was loaded on the truck.

Membership Sold

After considerable work on the part of a few members of the town organization the plan was arrived upon to sell memberships in an association comprised of farmers within the eight-mile radius. After careful explanation and publicity on the matter sufficient farm memberships were sold to insure the buying of the truck. Several Elgin business men also bought memberships to aid the project.

Plans as to the service charges have not been definitely arranged as yet, but all members will be given service on call at all times free of charge. Non-members will also be served but will be charged for the service. For upkeep an



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GEO. M. EASLEY AND COMPANY GENERAL AGENTS—DALLAS

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No. 99, Red Tag Policy File. This envelope is made up of exceedingly tough texture and possesses enduring wearing qualities; at the same time it is light in weight. The low price makes it an excellent advertising medium. Size, 10 $\frac{1}{4}$ in. long by 4 $\frac{1}{2}$ in. wide. Capacity, six to ten policies. Prices: 1,000 \$27.00; 500, \$14.25; 100, \$3.00; 50, \$1.65; 25, \$0.85; 12, \$0.45.

Additional Charge for Imprinting
Prices quoted above do not include imprinting advertising card. Cards of not more than four lines will be imprinted at the following rates: 100 or less, \$1.50; 200, \$1.75; 300, \$2.00; 500, \$2.50; 1,000, \$3.50.

Imprinting of cards of more than four lines or requiring special composition, will be billed at cost. Quotations on request.

No. 97, Expansive Policy Files. This style has sufficient expansive capacity to admit twenty-five or thirty policies and documents. The envelope is made of tough stock, having two bands of rubber at either end for holding policies securely. A record of companies, expirations, etc., is printed on the inside of flap. Prominent space is reserved for advertising card. Size, 4 $\frac{1}{4}$ in. wide by 10 $\frac{1}{4}$ in. long. Prices: 500, \$57.00; 100, \$12.00; 50, \$6.60; 25, \$3.30; 12, \$1.60.

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assessment of 50 cents per year will be levied.

A similar move is being considered at Alta in Buena Vista county and a truck will be purchased there in the near future, according to present plans.

Farmers living in Badger township in Webster county have under consideration a plan of fire protection which would call for the equipment of each farm with fire extinguishers and probably the purchase of a truck.

REPORT IS MADE ON TOPEKA

Engineers of the National Board Give Facts as to the Fire Fighting Facilities

The engineers of the National Board in reporting on Topeka, Kans., say that the gross fire loss for the last five years was \$753,308. The average loss per fire was \$386 and the loss per capita \$2.77. The engineers say that the water supply works are mainly adequate but contain unreliable features. The quantities available are inadequate in many sections due to small force mains and weak distribution system. The fire department is generally efficient but undermanned. The fire alarm system is greatly in need of additional fire alarm boxes. In the principal mercantile district, wide streets and a fair amount of improved construction lessen the probability of extensive fires but grouped inferior construction is subject to serious fires up to a block in extent. One minor mercantile district has a considerable hazard. In others and in industrial districts the hazard is largely local or that of small group fires.

Refund to Insurance Day Guarantors

H. A. Blinn, treasurer of the first Kansas Insurance Day, held in Wichita June 14, this week mailed checks to the 75 guarantors of the gathering which represented 46.31 percent of the amount which each had advanced to assure that the meeting would not end with a deficit. With the increased interest that will develop for the 1929 meeting it is felt that next year the guarantors will be returned full 100 percent. With a larger attendance the \$3 registration fee as charged this year will be sufficient to pay all expenses.

Bert Mitchner, chairman of the general committee for the 1928 meeting, has announced that a meeting of the committee will be held at an early date for reorganization and to decide on the city where the 1929 Kansas Insurance Day will be held. Hutchinson and Topeka have extended invitations.

Plan State Fair Booth

The Missouri State Fire Prevention Association, which had a booth and display at the Missouri State Fair at Sedalia last year that proved most successful in spreading the gospel of fire prevention, has arranged for another booth at this year's fair, to be held at Sedalia Aug. 18-25. "Smoky" Rogers, who made a big hit at the fair last year, will again do his stuff, starting Aug. 21.

Plan Sedalia Regional Meeting

KANSAS CITY, MO., Aug. 2—B. J. Fradenburg, president of the Missouri Association of Insurance Agents, and Wilbur F. Maring, Jr., secretary of the association, met with the Fire Underwriters Association of Sedalia at a luncheon in Sedalia Saturday to arrange for regional meeting in Sedalia Aug. 29. About 12 local agents met with the officers of the association. This will be fourth of a series of regional meetings held by the Missouri association since May. The meetings are largely educational.

Stag Picnic for Wichita Insurors

WICHITA, KAN., Aug. 1—The annual "stag" picnic given by H. D. Baker of Outland & Co., with the assistance of Harold Sheppard, for the men of the Wichita Insurors, was a decided success. Mr. Baker was also assisted by Howard Snyder and Duane Stover, all of whom

were kept busy preparing and serving the huge picnic dinner. Horseshoe and croquet contests were the sport features.

Guests outside of the Wichita Insurors were William A. Scanlon of The National Underwriter, Geo. M. Danley of the Topeka office of the Kansas Inspection Bureau, Roy F. Preston, J. B. Patterson and G. W. Smith, father of Dwight Smith of Smith, Stone & Snyder.

Rain and Flood in Western Kansas

WICHITA, KAN., Aug. 1—Heavy rains Saturday and Sunday in western Kansas further delayed the wheat harvest and soaked much grain awaiting threshing. No estimates of the damage are available to date. In some sections towns were flooded and much property damage will result.

More Storms in Iowa

DES MOINES, Aug. 1—Destructive wind and hail storms the past week visited numerous sections of Iowa. Fortunately comparatively small areas were covered by each, but in the aggregate the loss was quite heavy. Agents writing hail and tornado insurance have been doing a good business this season. Losses in past seasons have prompted farmers generally to take insurance protection and the percent of increase in the number of policies carried is very large. While mutuals have written the greater volume of business in the past, the interest taken in recent years by stock companies in this class of risks has been quite marked.

Kansas Notes

The Kansas Inspection Bureau has issued new rate books for Elmont, Big Springs, Canton and Cummings.

E. M. Schoen of Chicago, western manager of the Atlas, spent last week visiting agents and representatives in Kansas.

W. H. Bibler of the Wichita office of the Western Adjustment is passing out the smokes because of the arrival of a daughter.

The box factory of the C. L. Knight Lumber Company of Wichita, including the Kansas Casket Company, a two-story brick factory building, was gutted by fire on the first floor July 28 and the building and contents damaged 50 percent, according to present estimates. Large accumulations of shavings and scrap lumber caused the blaze to spread rapidly.

Roland H. Tucker, chief engineer of the Mississippi Rating Bureau, has returned to Jackson, Miss., after spending two weeks visiting relatives in Topeka. Mr. Tucker was an engineer for the Kansas Inspection Bureau for several years, transferring to Mississippi some four years ago. His trip to Kansas was made by motor and he was accompanied by Mrs. Tucker.

Missouri Notes

The Lafayette-South Side Insurance Agency of St. Louis has been incorporated with \$10,000 capital and will represent the American Central National and St. Paul as No. 2 agent. The incorporators are William J. Jones, George Dintzelbach and Oscar L. Kupferer.

SOUTHWESTERN FIELD

NOW CLEAR OF COMPLAINTS

Oklahoma Departments Supervising Insurance Find Business Running Smoothly There

OKLAHOMA CITY, Aug. 1—The insurance department and the insurance board are practically clear at this time of complaints of violations of the insurance laws of the state, or alleged irregularities that might work hardships on policyholders of any kind of insurance. The work of the departments is running quite smoothly.

During the past year, however, according to A. L. Roark, secretary of the insurance board, some 20 companies proposing to do some kind of insurance were ordered by the board to cease operations, or denied permits outright. A majority of these were of the anti-auto theft variety, that in their actual operation would have to qualify under the insurance laws of the state.

A singular condition is noted in the matter of the so-called anti-auto theft

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business. Here were about 20 of these companies offering to operate in the state, ostensibly for the protection of car owners. They were denied license by the board. However, the fiscal year ending June 30, auto theft rates had been reduced more than 20 per cent in the state. The rates have been reduced 30 per cent in the past two years, and in the opinion of Mr. Roark may be reduced still further by the end of the present calendar year.

Aside from a considerable loss on account of the recent storms in southwestern Oklahoma, which will probably bear heavily on some companies, the insurance business has been a profitable one in Oklahoma for the past year.

LOSS PAYABLE CLAUSE ISSUE

Inadvertent Failure of Agent to Attach It Did Not Invalidate the Insurance Policy

Inadvertent failure of agent to attach loss payable clause to policy held not to relieve company from liability thereon. In Rhode Island vs. Glass, Supreme Court of Oklahoma, 267 Pac. 840, the company issued a policy covering certain property. It contained a loss payable clause to one Glass. Upon the expiration a renewal was ordered which contemplated the attachment of the loss payable clause.

In writing the policy, the agent inadvertently failed to attach the loss payable clause. The property was destroyed by fire and a lawsuit developed over the liability of the defendant. In this situation, the defendant contended that it was entitled to take certain advantage of the fact that the loss payable clause was not attached. The trial court found in favor of the plaintiff. On appeal the higher court in holding that the defendant was not relieved from liability because of the failure to attach the loss payable clause to the policy, said:

What the Court Held

"It was the duty of the defendant to attach his mortgage clause to the renewal policy and it should not be heard at this time to complain by reason of the fact that its agent failed to perform his duty toward these plaintiffs. * * *

"The mere failure of the defendant to physically attach the loss payable clause to the policy does not defeat the right of the plaintiff-guardian and the court did not err in overruling defendant's demur to plaintiffs' petition. * * * The judgment of the trial court is affirmed."

Globe Fire Is Writing

The Globe Fire of Oklahoma City is now writing business, with offices in the Security National Bank building, 109 North Broadway. The company has an authorized capital and surplus of \$2,000,000 and the stock is owned by Oklahoma residents, widely distributed throughout the state. Ed M. Semans is president; A. C. Parsons, vice-president; Henry Ludlow, secretary; O. B. Motherhead, treasurer, and the following board of directors: Mr. Semans, Mr. Parsons, Mr. Ludlow, Mr. Motherhead, S. B. Howard, Joe D. Morse, J. H. McNew, E. L. Burton, A. H. Parmelee, S. S. Macy, C. F. Anderson, M. E. Scott and S. K. Bernstein.

Independence in Texas

The Independence Fire of Philadelphia, which recently entered Texas, operating through the general agency of Cravens, Dargan & Co., is now in progress of building an agency plant. It is allied with the Independence Indemnity.

Oklahoma City Loss Reduced

OKLAHOMA CITY, Aug. 1—Oklahoma City's 1927-28 fiscal year fire loss of \$245,963 is a decrease of \$72,653 over the previous year, as shown by the annual report just submitted to the council.

There were 1,846 alarms during the year, compared to 1,400 the previous year. Improvements in fire-fighting facilities, as well as removal of formidable hazards, are in progress and contemplated, that are expected to prevent advancing fire insurance rates, as has been proposed by some of the companies.

Oklahoma 100 Percent

With the entry of Wewoka in the Inter-Chamber Fire Waste Contest conducted by the National Fire Waste Council, under the auspices of the Chamber of Commerce of the United States, Oklahoma is again in the 100 percent class in this respect.

Prater Succeeds Biggers

The appointment of Albert M. Prater as special agent for northwest Texas for the Home fleet to fill the vacancy made by J. U. Biggers, who resigned, has been announced by General Agent D. D. McLarry of Dallas. Mr. Biggers has entered the local agency ranks at Lubbock, Tex., having purchased a half interest in D. K. Bondurant & Co.

Protest Is Withdrawn

OKLAHOMA CITY, Aug. 1.—The protest made by the Oklahoma City Association of Fire and Casualty Underwriters against the appointment of Moe Glauber as local agent for the New England Fire has been withdrawn. Through a misunderstanding, it was believed that Mr. Glauber was connected with the Hub Clothing Company, and was carrying on his insurance agency in connection with it. Mr. Glauber is not an employee nor an officer in the clothing company, and the association sees no reason why he should not receive the appointment.

Zoning Ordinance Upheld

OKLAHOMA CITY, Aug. 1.—Seminole's fire zoning ordinance was upheld by the state supreme court through an opinion affirming the action of the Seminole

county district court. The appellate tribunal decided that the state fire marshal and the Seminole fire chief had authority to order work stopped or rebuilding a theater which had been partially destroyed by fire. It is claimed that the owner had no right to begin reconstruction with non-fireproof material because she had not obtained a building permit from the city.

Arkansas Notes

Cullen Cribbs Walker, 56, died suddenly at his home in Little Rock, Ark., as the result of a heart attack. Mr. Walker for several years was in charge of the fire insurance department of the England Loan & Trust Company and formerly was associated with the firm of Walker & Scott in the fire insurance business.

Texas Notes

Leon Dargan has returned to Dallas from the home office of the Public Fire at Newark, N. J., and will establish permanent headquarters in the Kirby building at Dallas for the state of Texas, following his appointment as state agent.

Local agents at Snyder, Tex., report many storm claims of varying amounts from the terrific wind, electrical and rainstorm there, which demolished windmills and small buildings, unroofed houses and severely damaged growing crops.

Two of the principal business structures at Malakoff, Tex., were destroyed by fire last week with loss of \$16,000. The Athens, Tex., fire department answered the appeal of Malakoff and prevented the remainder of the block from more than slight damages.

Oklahoma Notes

J. H. Work, real estate and insurance man of Henryetta, Okla., died suddenly at his home the past week. He had been in business there since 1921, removing there from Durant. He was born in Carrollton, Mo., in 1873.

T. O. Shanks, Jr., has been appointed manager of the insurance department of the Patterson Investment Company of Oklahoma City, with offices in the Petroleum building. Mr. Shanks was formerly with the L. E. Shanks agency at Drumright, Okla.

IN THE SOUTHERN STATES

NEW LOUISIANA LEGISLATION

Companies' Committee Praises Cooperation Extended by Agents' Organizations of State

NEW ORLEANS, Aug. 1.—Senate Bill 58, a reenactment of the breach of warranty act, became a law at the recent session of the Louisiana legislature. This bill, as amended, was considered a tremendous improvement over the original measure.

Splendid work was done by the legislative committee of the Louisiana Rating & Fire Prevention Bureau, which was headed by John X. Wegmann as chairman. Associated with Mr. Wegmann were James B. Ross, E. A. Chavanne, Lucien Monroe and Allen Mehle.

In his report as chairman of the legislative committee, Chairman Wegmann says: "Your committee is justly proud of its achievements and much credit is due to the members of the Louisiana Insurance Society and the New Orleans Insurance Exchange, both local agents' organizations, for the splendid cooperative spirit evidenced throughout and the valuable assistance given in successfully opposing inimical legislation. It again proves that with company executives and local agents cooperating in a common cause, much good can be accomplished." A resume of the bills passed affecting fire and casualty companies is as follows:

Senate Bill 89—Relating to investments of insurance companies. This measure refers to domestic fire companies only.

Senate Bill 91—Mutuals allowed to write all classes. Vetoed by governor.

House Bill 395—Fire patrol act. This measure amends present salvage corps act. No objection.

House Bill 580—Model arson law.

House Bill 667—Firemen's pension fund. This measure provides for distribution of unused tax funds.

FOUR CENTERS ARE INSPECTED

N. F. C. A. Engineers Find Conditions in North Carolina Cities Fair to Good

Engineers of the National Fire Protection Association report fair to good progress in four North Carolina cities. Fire prevention work is being carried on consistently in Durham. At a recent meeting of the chamber of commerce fire prevention committee a board engineer suggested the advisability of legislation requiring automatic sprinklers in certain hazardous buildings.

Greensboro is reported making satisfactory progress. A 15,000,000 gallon reservoir is under construction and a new building code was recently adopted. A new fire prevention code is pending. Establishment of a fire prevention bureau in the fire department has been recommended.

Larger Water Mains Planned

At present, it is reported, only 6-inch mains are available for sprinklers and fire department use at High Point. The factory district is extensive and valuable and the buildings are principally of iron-clad frame construction, closely built. Contracts have been made to protect one section of the factory district by providing 16-inch and 10-inch mains around the section.

The city of Raleigh is completing a new water pumping station and supply system which will provide ample water at good pressure for fighting.

Georgia Committees Named

Sidney O. Smith, president of the Georgia Association of Insurance Agents, announces that the executive committee is now composed of the following: Dan I. MacIntyre, Atlanta, chairman; W. C. Pease, Jr., Columbus;

Albert R. Menard, Macon; C. F. Powers, Savannah; Howard Geldert, Atlanta; S. V. Conyers, Dublin; W. Fred Cobb, Quitman; C. L. Traylor, LaGrange.

The conference committee is composed of the following: W. Julian Thomas, Atlanta; Albert R. Menard, Macon; E. B. Harrold, Macon; James R. League, Augusta; Sidney O. Smith (ex-officio).

Howard Geldert of Atlanta is chairman of the legislative committee.

Tennessee Meeting Date

The Tennessee Association of Insurance Agents will hold its annual meeting at Chattanooga, Oct. 25-26. The banquet will be held the evening of Oct. 25. The Hotel Patten is headquarters.

Tennessee Asylum Burns

NASHVILLE, TENN., Aug. 1.—The Central Asylum for the insane near here was partly destroyed by fire last week, the loss being variously estimated from \$200,000 to \$300,000. A severe electrical storm had taken place in the early afternoon and had played havoc with the electric wiring in the asylum and which the electrician of the institution had fixed after the storm was over, but a short circuit evidently appeared in the roof of the administration building, which part of the building was destroyed together with part of the building occupied by the male inmates. Tennessee maintains its own insurance fund on its institutions, but this is believed to contain not much more than \$100,000.

Tells Story of Salvage Corps

LOUISVILLE, Aug. 1—An interesting story regarding the history of the Louisville Salvage Corps, prepared by Leo Thieman, secretary of the Louisville Board, appeared in the insurance department of the Louisville "Courier-Journal" this morning. The corps was originally established by the board and the idea originated with it. For many years it was maintained by the board, until its operation went under the National Board.

It was explained in the article how the corps is maintained and operated for the purpose of saving property, whether insured or not and at no expense to the public. Many people have never understood its functioning.

Louisville Losses Increase

LOUISVILLE, Aug. 1—Sharp increases in fire losses were noted in Louisville for the week of July 21-27 in the report of Captain Kirley of the Salvage Corps, total loss being given at \$151,910, as compared with \$9,950 the previous week. Two large fires in the week swelled the total, one of these being in the J. G. McCrary store and the other in the plant of the Progress Paint Manufacturing Company, 820 West Main street. The latter loss was estimated at around \$40,000, mostly to raw materials. Twenty-five runs were made by the Salvage Corps for the week, six being false alarms.

Kentucky Mine Losses

LOUISVILLE, Aug. 1—It is reported from Owensboro, Ky., that two coalmine tipple blazes in as many weeks in Muhlenburg county mines have resulted in the mine operators taking special precautions against fire, in view of the fact that these two, with loss of \$70,000, pointed to incendiary origin. One was in the plant of the Nelson Coal Company and the other in the Greenville Coal Company plant. These mines are in nonunion territory, but there has been very little labor trouble in that section for two years or more.

Rogers Drills Nashville Firemen

NASHVILLE, TENN., Aug. 1—Harry K. Rogers of the Western Actuarial Bureau began a series of drills for Nashville firemen last week. He was assisted by Capt. W. D. Rogers from the Tennessee Inspection Bureau, Manager Quackenboss having been instrumental in getting the work started. The first drill was with Nos. 10 and 11 and Truck Company No. 1 under the direction of Mr. Rogers for the inspection of the fire waste committee of the Chamber of Commerce. Mr. Rogers goes from Nash-

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Nolting Urges Cooperation

RICHMOND, VA., Aug. 1.—Need for agents to cooperate with the companies was stressed by Frederick E. Nolting, president of the Virginia Fire & Marine and chairman of the governing committee of the Virginia insurance rating bureau, in an address before the Richmond Board last week. If agents have any complaints in regard to schedules, forms and the like, they should take up the matter with the rating bureau, he said, and in most instances the difference could be ironed out by the bureau committees to the satisfaction of all parties. Mr. Nolting voiced confidence that the corporation commission is going to be eminently fair in its investigation of fire rates which gets under way in September and that there is not going to be any drastic reduction in rates unless the records and the evidence justify it.

It was announced that Commissioner Button will be the speaker at the next meeting.

Kentucky Notes

As a result of the recent floods water rose in the cleaning room of the Winchester, Ky., laundry to the gasoline tank, carrying a film of gasoline into the boiler room, where it ignited and caused a fire. The flames following the course of the gasoline traveled back across the

water to the cleaning room, where more gasoline caught fire and it was only with the greatest difficulty that the fire was put out.

Earl S. Gwin, president of the Lincoln Bank & Trust Co., doing a banking, trust and fire insurance agency business in Louisville, is seriously ill at the Battle Creek Sanatorium at Battle Creek, Mich., where he has been undergoing treatment for several weeks.

A fire truck of the Louisville Salvage Corps was overturned and three of its crew injured, one perhaps fatally, while a deaf pedestrian was killed, while the truck was answering a false alarm. Lieutenant Goodwin, at the wheel, tried to miss the man, but his truck skidded, turned over and rolled 75 feet.

Virginia Notes

Loss from fire which swept the J. T. Hirst lumber yard at Leesburg, Va., last week is estimated at \$50,000, partly covered by insurance.

The Transportation of New York has been admitted to Virginia to write fire and kindred lines, including aircraft. James T. Catlin & Son of Danville will be state agents.

Sympathy is being extended Robert B. Augustine, head of the R. B. Augustine & Co. agency at Richmond, because of the death last week of his mother, Mrs. Pattie Brown Augustine.

E. C. Mackey has resigned as general agent at Charlotte, N. C., for the Southeastern Life of Greenville, S. C., to become associated with the H. V. Godbold Company agency at Richmond, Va., writing general lines of insurance as special agent.

ON THE PACIFIC COAST

ASKS ENFORCEMENT OF PACT

AGENTS ASK REPRESENTATION

California Association Seeks to Be Relieved of Policing Financial Institution Appointments

Sacramento Exchange Feels That It Is Entitled to Voice at Uniformity Conference

SAN FRANCISCO, Aug. 1.—The California Association of Insurance Agents through its secretary, Percy S. W. Ramsden, has issued a statement pointing out that executives and special agents on the Pacific Coast should be guided by the principles established by their company officials through the signing of the national conference agreement with respect to the appointment of financial institutions and stating further that it should not be the work of the agents to "police" such appointments.

Association officials declare that innumerable appointments have been submitted to them for approval when, as a matter of fact, the special agent contemplating the appointment should know in advance that under the terms of the conference agreement such an appointment would mean breaking the agreement. These officials feel that special agents and managers of every company signing the agreement should live up to its terms and that in the case of companies in violation, the policing should be done by those companies which are keeping the agreement. It is an almost impossible task, they say, to pass upon the large numbers of appointments submitted to them.

SACRAMENTO, CAL., Aug. 1.—The Sacramento Exchange has declared its determination to have a voice in the preparation of mandatory forms to be promulgated by the Pacific Board. The association feels that the agency force of the state was entitled to have representation at the meeting of the Pacific Coast Uniformity Conference at which proposed mandatory forms were discussed and agreed upon, on the ground that the agency force is the only point of contact between the companies and the insuring public.

Following a recent meeting at which this matter was considered by the Sacramento agents, President Phil R. Hullin sent a letter to Secretary Ramsden of the California Association of Insurance Agents, calling his attention to the fact that the agents should be represented.

Mr. Hullin states that it is the intention of the Sacramento association to insist upon action in the matter and expresses the hope that persistent effort in this direction may result in immediate recognition of the rights of the agency force of the state to participate in the councils of the insurance carriers.

The general feeling among the agents in this particular instance seems to be,

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however, that such participation should not be insisted upon inasmuch as the purpose of the conference is not to bring about radical changes in forms, rules or rates, but rather to bring about a uniformity of such forms throughout the Pacific Board jurisdiction, a matter which is more or less routine in its relation to the Pacific Board.

Some agents express themselves as feeling that should the conference see fit to invite them to participate in the discussions they might be able to bring to it certain angles of the assured's viewpoint which might prove of interest and value but that such participation in this particular case should not be insisted upon.

Rodgers on Coast Trip

John J. P. Rodgers, vice-president of the State of Pennsylvania, who is visiting the Pacific Coast agencies of his company, spent several days in Los Angeles last week, leaving for San Francisco accompanied by L. B. Daniels, president of Seely & Co., general agents for the company in the coast field. Before returning east Mr. Rodgers plans to visit Portland, Seattle, Vancouver and other points in the Pacific Northwest.

R. W. Bertolin Transferred

R. W. Bertolin, formerly covering Montana, northern Idaho and eastern Washington for the Automobile of Hartford, has been transferred to Seattle as state agent, succeeding E. W. Hosford, resigned.

DeMille's Field Extended

The Milwaukee Mechanics announces that C. B. DeMille, general agent at Seattle, has been appointed general agent for British Columbia and western Washington. All agents in the western Washington territory will report to Mr. DeMille after Sept. 1. He will develop the field in British Columbia for the company. W. G. Moffett, state agent at Portland, Ore., who has had charge of western Washington, will maintain his headquarters at Portland and be state agent for Oregon.

Figures on Timber Losses

PORLTAND, ORE., Aug. 1.—The popular opinion that green standing timber is a poor insurance risk is refuted by Frank R. Barnes of the timber bond de-

partment of Freeman, Smith & Camp Company of Portland. The fire loss in privately owned green timber in Oregon and Washington for 1927 was only .0024 of 1 percent of the total value. The average yearly loss the past 13 years has been only .0014 of 1 percent. Mr. Barnes declares losses in national forests are confused with private forests and given such publicity that an erroneous impression exists.

Hougaard Gets Sylvania

The Sylvania is now represented in California, Oregon and Washington by John A. Hougaard, general agent at San Francisco, Cal.

Coast Notes

Pacific Coast department offices of the Springfield Fire & Marine, under the management of George W. Dornin, have been moved to 114 Sansome street, San Francisco.

Charles Harris, grand supervisor of the Blue Goose, will make a tour of the Pacific Northwest ponds about Aug. 17, en route to the annual meeting in Montreal. A special entertainment and meeting is planned for Harris by the Seattle pond.

Carl H. Beahm and Robert F. Elliott have formed the brokerage firm of Beahm & Elliott at Los Angeles, handling all lines of insurance, with office in the Lane Mortgage building. They were formerly connected with the A. G. Blair & Co. agency in this city.

T. H. Searle, well known fire insurance man of Los Angeles, has been appointed manager of the A. G. Blair & Co. agency. He has recently been engaged in work as an independent appraiser, but for ten years was manager of the fire department of the Cass & Johansing agency of Los Angeles.

The Allan-MacMaster agency at Los Angeles announces the appointment of Hugh L. Ross as office manager. Mr. Ross was formerly connected with the Matt T. Mancha agency in a similar capacity and prior to that time was office manager of the insurance department of the W. Ross Campbell Co.

G. A. Inman, secretary for the North British & Mercantile at San Francisco, is spending two weeks in southern California visiting the various agencies of the company. After spending several days in Los Angeles he continued his trip south to San Diego and points in the Imperial Valley.

R. E. Andrews, assistant chief engineer of the National Board, will act on the special committee to investigate the new Dreamland Pavilion garage in San Francisco, which Fire Marshal Kelly claims is being operated in violation of the law. A city ordinance provides that it is unlawful to maintain a garage under a hall of public assemblage.

ship of Arthur J. Anderson, who has been in the service department of the agency for the past six years. Mr. Anderson is a native of Connecticut and attended Tufts college. He had his first training with the factory mutuals, where he served for six years. Later he was engaged in engineering work in Chicago and in 1919 he joined the engineering staff of the American Agricultural Chemical Company, after which he entered the office of O'Brien, Russell & Co.

Eastern Notes

The Sylvania and the Bronx Fire have been licensed in Maryland.

John J. Griffin, veteran fire insurance man of Buffalo and a leading figure in its civic activities for many years, died July 26 at the age of 74.

The Seaboard of Baltimore has been

licensed in the District of Columbia and has opened offices in the Transportation building. Joseph W. Brooks & Co., general agents for the Seaboard, will manage the affairs of the company in the District.

New England Notes

John Lee Brooks of Windsor, Conn., has purchased the insurance division of the House & Brooks Realty Company, formerly conducted by Albert House for years. Mr. Brooks will devote his entire time to insurance, writing all fire and casualty lines.

The licenses held by John H. Sullivan of Boston as an insurance broker and agent of the National Accident & Health were revoked by the Massachusetts department on a finding rendered by the department on a complaint preferred by the Car Owners Mutual of Boston, alleging failure to account for collected premiums.

IN THE CANADIAN FIELD

FIRE PREVENTION MAIN TOPIC

Dominion Association of Fire Chiefs Holds Its Annual Meeting at Kingston, Ont.

KINGSTON, ONT., Aug. 1.—The convention of the Dominion Association of Fire Chiefs held here devoted much of its time to building construction and fire prevention topics. J. Grove Smith, Dominion fire commissioner, and J. R. Ritchie, prevention engineer of the Ontario fire marshal's office, took part in the discussions. Mr. Ritchie discussed the hazards of quick drying varnishes and other chemicals which have lately come into common use.

In the discussion on building design and materials, it was shown that steam pipes could start fires. F. A. Murray of New Haven, Conn., cited a case at St. Louis, where a beam in the city hall, alongside a steam pipe, was found to be charred and smouldering. Chief Armstrong of Kingston said that vibration had caused beams, which had been charred by steam heating, to ignite. It was stated by another delegate that a box of sawdust, packed about a heated pipe, would ignite in a month's time. That non-inflammable covering should be used in buildings using intense heat was the conclusion.

Chief William Russell of Toronto spoke on "The Inspection of Buildings During Construction and Their Protection from Fire." The fire danger can often be estimated better during construction than after completion, he said, and cities should have power to approve plans and inspect new work from this angle.

The annual meeting concluded with the election of the following officers: President, Chief Robert Harrington, McColl Frontenac Refineries, Montreal; vice-president, Chief W. J. Phillips, Sault Ste. Marie, Ont.; second vice-president, Chief F. Thompson, New Liskeard, Ont.; secretary, Chief James Armstrong, Kingston, Ont.; treasurer, Chief R. McLeod, Port Arthur, Ont. Chief Armstrong, who has been secretary since the organization of the association, was presented with a purse of gold.

Non-Boarders Making Gains

VANCOUVER, B. C., Aug. 1.—The rapid growth in non-board fire companies' premiums in British Columbia the past ten years has caused some concern. Some British Columbia agents maintain that each classification should be rated according to its loss experience, instead of allowing good risks to pay for bad ones. If this were done, they say, the non-tariff companies would be unable to cut board rates on classifications which have proved profitable. In 1917 the non-board fire companies wrote premiums of \$223,969 in British Columbia, and in 1927 they wrote \$702,223, although the total fire premiums for the same period showed an increase of but 60 percent.

Pearl Assurance in West

The Pearl Assurance is now transacting business in the western Canada field.

Williams, Rainey & Flynn of Winnipeg have been appointed general agents for Manitoba, while the Dean Agencies of Calgary have been appointed general agents for Saskatchewan and Alberta. The head office is in Toronto, with Lawson T. Hargreaves as Canadian manager.

Peters Made Fire Manager

Arthur E. Peters has been appointed fire manager for the Atlantic of Toronto. Mr. Peters was formerly with the Prudential Assurance of London and subsequently in a brokerage office in New York, later being resident inspector in western Ontario for the British General

Storm Losses in Saskatchewan

Storms last week in the province of Saskatchewan again caused heavy losses. Damage to crops by hail were considerable, especially in the Battleford district, many fields of grain being a total loss. Barns, granaries, sheds, garages and outbuildings were completely demolished by the wind.

Forest Fires Subdued

The forest fires which were reported to be burning in the mining area of north Manitoba have been subdued by the rains which fell the latter part of this week and the situation is much easier. Six hydroplanes were operating round the lakes conveying men and apparatus to the burning areas.

Canadian Losses Compared

According to the "Monetary Times" fire losses in Canada for the week ending July 18 are estimated at \$210,500, as compared with \$267,500 for the corresponding week of 1927. Losses from Jan. 1 to July 18 are estimated at \$11,346,450, as compared with \$10,547,800 from Jan. 1 to July 20, 1927.

Frontenac Fire Organized

The Frontenac Fire is being organized in Quebec province. A charter has been secured with authorized capital of \$500,000.

Would Prohibit Smoking in Garages

MONTREAL, Aug. 1.—An addition to the municipal by-laws is proposed, to forbid smoking in garages, service stations and other places where gasoline is handled. The present law makes no specific mention of these, though smoking in certain other places is prohibited under penalty of fine. The addition would include visitors as well as owners and employees.

Canadian Notes

The Ocean Accident has been licensed in Canada for tornado insurance, in addition to the classes for which it is already licensed.

Fire of unknown origin practically destroyed the Consumers Elevator in Winnipeg. At least \$50,000 worth of grain stored in the building was lost. The damage to the building was estimated at about \$50,000, making in all a loss of \$100,000.

EVERY man is the sculptor of his own face, which he is ever molding by the delicate chisel of his thoughts and impulses.

NEWS FROM EASTERN FIELD

HUGE FIRE AT BUFFALO DOCKS

Explosion on Barges Sets Fire to Huge Tanker and Destroys Fire Boat

BUFFALO, Aug. 1.—Buffalo's waterfront fire fighting apparatus has been badly crippled as the result of the \$1,000,000 fire which swept the Buffalo river district July 27. In endeavoring to check a blaze on the tanker McColl which took fire from burning oil on the river the big fire boat Grattan was destroyed when a sudden shift in the wind sent a sheet of flame sweeping over it.

The fire tug was valued at \$200,000 and was the only one in service on the waterfront, two old craft having been withdrawn, one as unserviceable and the other in the interest of municipal economy. It is believed the insurance men demand that one of the boats be placed in service at once to protect Buffalo's vast waterfront industries from the water side.

New Pumper Destroyed

At almost the same time a new pumper valued at \$26,000 was destroyed when a sheet of flame shot over it and drove members of its crew to safety. Steel jacketed suction lines and thousands of feet of hose were damaged or destroyed as the blazing barge floated away defying efforts to make it fast.

For 24 hours members of 30 fire companies worked in the terrific heat as the barge swung about in the narrow chan-

nel with half a mile of burning oil floating on the water, menacing docks, the huge Standard Oil plant and scores of crude oil and gasoline tanks lining the river bank. An explosion aboard the barge which was ready to leave the dock caused the blaze at midnight. The big tanker McColl was apparently in a place of safety when shift of the wind drove the burning barge against it, resulting in close to \$500,000 damage to the craft. Damage to docks, the destroyed barge and other property was estimated at \$300,000 to \$500,000.

Agitation for Investigation Ends

BOSTON, Aug. 1.—A last minute attempt to put over an order for an investigation into fire insurance rates in Massachusetts was made by Representative Roland D. Sawyer of Ware, one of the principal agitators in the legislature during the past session for a fire insurance rate probe. Representative Sawyer followed out the suggestion recently made by the Boston Central Labor Union and put in an order for an investigation of the rates by the commission on the necessities of life. The speaker of the house referred the order to the rules committee of that body promptly, which voted not to admit the order. Thus the fire rate probe agitation came to an end for 1928, after seven months of most persistent and active controversy.

New Partner in Agency

BOSTON, Aug. 1—O'Brien, Russell & Co. announce the admission to partner-

MOTOR INSURANCE NEWS

MUCH CONFUSION IN INDIANA

Action on Collision Rates Has Developed Much Personal Feeling Among the Company Managers

There is much confusion regarding automobile collision insurance rates in Indiana, following the recent action of the Western Automobile Underwriters Conference in rescinding the move of the executive committee in ordering a reduction of 50 percent. Some of the companies did not notify their agents of the restoration of the old rate or they were lukewarm or dilatory in doing so. It is charged that some of the companies are still writing at the 50 percent cut. There has been engendered much feeling over the nullification of the executive committee action. It so happens that most of the members of the executive committee are managers of companies. Therefore it was declared that the matter of feasibility of reducing rates was considered very carefully. The executive committee seemingly resents the action of the members in recalling its action especially through the proxy form of voting.

Charges and countercharges have been flying thick and fast. Some companies are challenged with not playing fair. It would not be surprising to see some of the members of the executive committee resign. The executive committee felt that its action was wise and just because the reciprocals and mutuals have made much headway on automobile business in the state. When the committee took action it is stated that the non-affiliated companies were nonplussed and were on the run. The opponents of the executive committee, however, declared that the action in Indiana could not be allowed to stand as other states would be involved. They held that if Indiana itself only was to be considered there would be no objection, but they feared similar action would have to be taken in other states.

The Indiana trouble promises to de-

velop into a very ugly situation. There are three non-affiliated stock companies, the Yorkshire, Employers Fire and National Union, that are very active in the state and have built up a considerable business. When there was a general reduction in collision rates in Western Conference territory a few years ago it bothered the outsiders considerably. Recently there was a readjustment of collision rates on a new basis, each make of car having its own particular rate. Altogether it meant probably a 33½ percent increase in collision rates. The outside companies continued to write at the old rate. Conference companies saw their business getting away from them and the State Automobile was becoming more active. Therefore the executive committee after consideration concluded it best to adopt war measures and ordered a 50 percent reduction in collision rates. It is stated that some companies have openly declared they will not get the full rate. Other companies contend that they will not see their business lost and if necessary will hold it at the old rate. There is very bitter personal feeling being engendered up and down the line.

Uncover Wisconsin Theft Ring

MILWAUKEE, Aug. 1.—An automobile theft ring has been uncovered at New London, Wis., and action has been started against members of the ring. Nurnberg, Schiffler & Co., Milwaukee adjusters, working with the Milwaukee police department have been checking upon the cars stolen and have recovered 16 already. They believe there have been about 100 cars involved, since the first car was stolen by the ring in June, 1927, at Kenosha, Wis.

The ring worked in a new way. An automobile dealer for a certain make at New London, with three salesmen, and it is believed others, stole new Hudson and Essex cars, and then sold them



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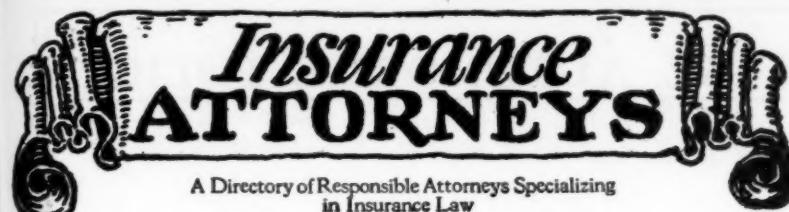
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from their garage. They changed serial numbers and in other ways tried to disguise the automobiles. They would apply for the titles through the secretary of state's office. They would try to get new Hudson and Essexes and went so far as to steal them from other dealers. Most of the stealing was done around New London, in Appleton, Oshkosh and other cities in the Fox River valley, but they worked over to Green Bay and as far south as Kenosha.

far as to steal them from other dealers. Most of the stealing was done around New London, in Appleton, Oshkosh and other cities in the Fox River valley, but they worked over to Green Bay and as far south as Kenosha.

MARINE INSURANCE NEWS

PROVISIONS PUT IN EFFECT

Shipping Law Plan for Insurance
Passed by Congress Will Now
Become Operative

WASHINGTON, D. C., Aug. 1.—Immediate operation of the insurance provisions of the Jones-White shipping law passed at the last session of Congress, under which the United States Shipping Board is authorized to insure its interest in partially owned vessels was ordered today at a meeting of the board. A substantial sum, understood to be upwards of \$1,000,000, has been allocated to the fund and arrangements made to increase the amount if such action becomes necessary. According to the law, funds for the insurance may be obtained from proceeds from the sale of ships, revenue from the operation of lines and from premiums paid in to the insurance organization.

During the fiscal year ended June 30 last proceeds from sales amounted to more than \$8,000,000, of which about \$2,000,000 represents down payments. This latter sum appears to be the maximum amount available for the insurance fund at the present time.

So far as can be learned, the rates to be charged will probably conform closely to those which Vice-Chairman Plummer, in appearing before the House committee in charge of the legislation this spring, represented as necessary to permit the vessels to compete

so far as this phase of the business is concerned, and are expected to be on the basis of 2 percent for new hulls.

The action of the board makes available to all operators of former government owned lines the facilities of the insurance fund, which also are extended to those who are paying part of the cost of construction of new ships out of funds borrowed from the shipping board's construction loan fund. There are now under guaranteed operation some 110 ships with values averaging around \$200,000 each, according to prices paid for them, and some \$20,000,000 worth of new ships already built or under construction with the help of the board.

Interesting Complications Arise

NEW YORK, Aug. 1—An interesting complication has arisen out of the all-jewelry floater which the John Wanamaker stores carry. Mrs. Maria J. Leslie, as secretary of Mrs. Anna E. Emerson of Baltimore, purchased on Mrs. Emerson's credit, or secured on approval, from Wanamaker's stores in Philadelphia and New York jewelry that had a retail value of \$480,000 and sold it to Harry Winston, a New York jeweler, for \$93,000, of which \$55,000 actually was paid.

Seeing that they were likely to sustain a heavy loss the insurance companies involved succeeded in recovering the jewelry from Winston on a writ of replevin, and it is now in possession of the insurer. Mrs. Emerson is abroad. It seems to be a question of whether Mrs. Leslie actually had authority to get the jewelry for Mrs. Emerson. Winston demands the return of what he paid for the jewelry. Whether the insurance companies will sustain any loss will depend on future developments.

Scheide With Phoenix

P. W. Scheide has joined the Phoenix of Hartford and will be superintendent of the inland marine department under the direction of Secretary Ross. Mr. Scheide was special agent for the inland marine department of the Automobile for a number of years and until recently located at Atlanta, Ga. Before that he had the New England territory. He is a son of W. C. Scheide, well known insurance man of Hartford, who is organizing the Beacon Fire.

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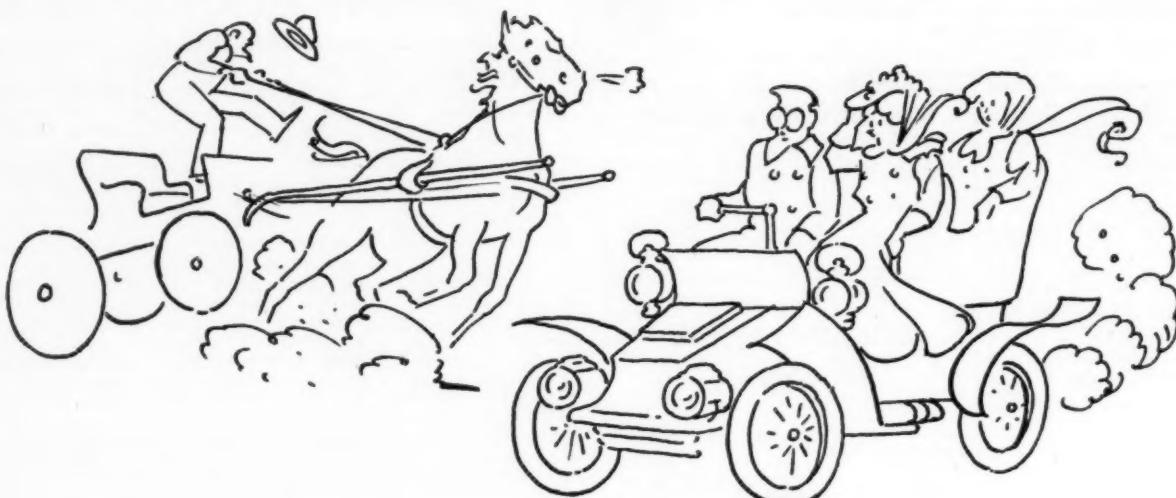
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The National Underwriter

August 2, 1928

CASUALTY AND SURETY SECTION

Page Thirty-seven

OFFICIALS CONFIDENT OF INCREASED RATES

Massachusetts' Experience Expected to Show Companies' Demands Are Justified

BOSTON FIGURE IS HIGH

Confiscation Cover Written Mainly for Financial Concerns' Protection—Popular on Pacific Coast

NEW YORK, Aug. 1.—It is confidently anticipated by casualty officials that the new automobile liability insurance rates to be promulgated by the Massachusetts Automobile Rating & Accident Prevention Bureau on Sept. 1, and to be effective on and after next Jan. 1, will be materially higher than those now in force, in so far as pleasure cars are concerned, basing such belief upon the loss experience of the past year. When the compulsory liability law of Massachusetts went into effect on Jan. 1, 1927, the rates were admittedly experimental. They were continued for another year, because Commissioner W. E. Monk held that the experience filed with his department by the companies on July 1 did not warrant any increase. Officials asserted that the opinion of the commissioner was based upon insufficient data, the records covering only losses for the months January to May, inclusive, and that the larger automobile losses occurred in the succeeding three months, when cars were freely used.

Large Figures Predicted

This contention of the insurance men has been borne out, apparently, now that a completed year's experience has been had. While the insurance department has not made public the information filed with it, it is generally understood that the losses upon pleasure cars in 1927, notably in the Boston district, has been very severe, and to a possibly lesser degree, the same holds true with respect to other centers. In the light of this result company men feel confident that they will be allowed higher rates for 1929 and maintain further that the commissioner should load the tariffs to take care of the "loss trend." Whether Mr. Monk will do this is a question. It is assumed that he will prepare each year's rates upon the disclosed experience of the preceding 12 months; increasing or decreasing the previous tariffs, according to types of machines and territories, as warranted by the loss data, until a basis of rate stability be attained.

Opposes Confiscation Covers

The commissioner recently forbade the further issuance of confiscation covers in Massachusetts, holding that the granting of indemnity of this character was "opposed to public policy." A limited number of companies are writing this form of protection, which is re-

RECIPROCAL CHANGES TO STOCK COMPANY

REASONS GIVEN FOR MOVE

Bituminous Casualty Corporation of Rock Island Will Take Over Business of the Exchange

The Bituminous Casualty Corporation of Rock Island, Ill., has been licensed as a stock company by the Illinois department with \$200,000 capital and \$200,000 surplus, all paid in. It will write workmen's compensation and public liability insurance. H. H. Cleaveland is chairman of the board, and H. W. Cozad is president. Both are partners in the H. H. Cleaveland Agency at Rock Island. This is one of the most prominent agencies in the state and both men are well known. Mr. Cleaveland and Mr. Cozad have operated the Bituminous Casualty Exchange as attorneys-in-fact since 1917 as a reciprocal. The exchange maintained offices in addition to the head office at Rock Island, in Peoria, Springfield, Belleville, Ill., and Des Moines, Ia., and Louisville.

Handicapped in Expansion

The exchange came out in 1927 in a satisfactory way, but the attorneys felt they were handicapped in expanding their business with the reciprocal plan of operation far from the territory where they were well known. Business men these days dislike to sign powers of attorney, conveying very important direct and contingent rights. It was felt best therefore to have a stock company where the liability is definitely fixed. The policies of the Bituminous Casualty Exchange will be taken over by the stock company. Mr. Cleaveland and Mr. Cozad are well and favorably known as business men not only in their section but throughout the state and especially among the coal operators.

Both Officials Well Known

Mr. Cleaveland has been active in local agency affairs in Illinois for 35 years. He served as treasurer and director of the Illinois Chamber of Commerce for a number of years and is now president of one of the largest banks in Rock Island. Mr. Cozad has been associated with the Cleaveland agency for 22 years and has been in active charge of the management of the Bituminous Casualty Exchange since 1917. K. G. Carney of Des Moines is secretary of the Bituminous Casualty Corporation and H. M. Gilchrist of Davenport is treasurer. Over 60 percent of the stock is owned by the board of directors and over 90 percent of the stock is owned by the management and policyholders of the Bituminous Casualty Exchange.

Figures of the Exchange

The Bituminous Casualty Exchange started under the title of the Mine Operators Workmen's Compensation Exchange. Its present title was adopted Mar. 20, 1919. On the first of the year it had cash assets \$686,147 and surplus \$254,981. Last year it wrote premiums \$534,742, having a loss ratio of 72 percent and an expense ratio of 13.7 percent. Its reserve for losses was \$389,017. Its surplus is divided into policyholders

REDUCTION IN PLATE GLASS RATES IS MADE

AVERAGES OVER 10 PERCENT

Decreases Especially Large in Illinois—Only Increase Made Is in Wyoming

NEW YORK, Aug. 1.—Companies subscribing to the rating service of the National Bureau of Casualty & Surety Underwriters or to that of W. F. Moore have been advised of the revision in plate glass insurance rates recently determined upon and to become effective as to both new and renewal business Sept. 1. Agents are warned that "no policies effective prior to such effective date shall be endorsed or cancelled and rewritten to take advantage of or to avoid the application of the new rates except at the request of the assured and then only at the customary short rates."

Rate Generally Reduced

With the sole exception of flat car sizes in Wyoming, the rates generally are downward, the average for the country as a whole being somewhat over 10 percent. In the Illinois counties of Alexander, Franklin, Gallatin, Hamilton, Hardin, Jackson, Johnson, Madison, Massac, Monroe, Perry, Pope, Pulaski, Randolph, St. Clair (except Belleville and East St. Louis), Saline, Union, White and Williamson, the revised rates are 45 percent reduction from manual for box car sizes and 40 reduction for flat car sizes. In the cities of Belleville and East St. Louis the reductions are 55 percent and 55 percent respectively, and for the balance of the state 57½ percent, in both box and flat car sizes.

Increases in Wyoming

Increases of 40 percent for flat car sizes will be required for risks in Cheyenne, Wyo., and an increase of 70 percent in the balance of the state. On box car sizes in Cheyenne a reduction of 20 percent from manual figures is allowed, while in the balance of the state upon this class of lights full manual rates must be secured. Substantial reductions were granted in the Los Angeles territory in December and also in North Carolina. New York State was allowed a reduction as of May 1, 1928. A new rule, also operative as of Sept. 1, "provides automatic reinstatement of insurance on replaced glass, lettering or ornamentation for no additional premium."

surplus \$152,133 and guarantee fund \$102,848. The expense ratios have been very low. During 1924 and 1925 it had a disastrous experience, its loss ratio in 1924 being 108.4 percent and the next year 95.4 percent. It has given a good account of itself however having been largely under the direction of Mr. Cozad who has studied the coal mine situation intensively.

Zurich to Increase Capital

The Zurich General Liability will vote on a proposal to increase its capital stock from \$20,000,000 to \$30,000,000. This under the present rate of exchange would mean an increase from \$4,000,000 to \$6,000,000.

JUNE POOR MONTH FOR CASUALTY BUSINESS

Premium Income for First Five Months of Year Good

NO ACCOUNTABLE REASON

New Organizations Cutting in on Established Companies' Field Force Causes Some Change

NEW YORK, Aug. 1.—For some unaccountable reason, the volume of general casualty business, which had been well sustained the first five months of the year, fell off notably in June. Although the early days of July gave promise of improvement, the betterment proved to be merely a spurt and not a sustained effort. As a consequence, while the companies generally will show a gain in premium income for the first half of the year, compared to the record for the like period of 1927, the increase was not all that was anticipated. Some managers attribute the slackening of business to the uncertainties that always attend a presidential year. Merchants and manufacturers pursue a generally conservative course until the elections are held and the political complexion of the nation is determined. Others incline rather to the theory of increased competition in casualty underwriting circles, pointing to the considerable number of new companies that have entered the field within the past year, all of which, however limited their initial operations, secure a certain volume of business that otherwise would have gone to the older established institutions.

Making Presence Known

The new organizations are making their presence known particularly in the selection of agencies, offering general agency contracts to men formerly holding regional contracts and thus seducing many representatives from former alliances. In order to warrant the granting of a general agency contract with its liberal commission terms, predicated upon the assumption that its holder will properly develop the territory under his jurisdiction, some companies have fixed upon \$25,000 as the minimum premiums agency must have upon its books. It is also demanded that applicants for regional agencies be able to show not less than \$10,000 in well selected casualty premiums. These standards, to which many of the older organizations still adhere despite the encroachments on their field forces by the newer institutions, are largely ignored by the latter, who eager to secure premium income and gain a footing in the field are freely appointing as either general or regional agents anyone having a fair volume of business, even though no material growth therein has been shown for several years.

Experienced officials are not particu-

(CONTINUED ON NEXT PAGE)

PLEDGE CARRYING OUT OF CHICAGO AGREEMENT

AMICABLE ADJUSTMENT SEEN

Written Approval of Acquisition Cost Plan Now Being Secured From Companies

NEW YORK, Aug. 1.—Confidence is expressed by fidelity and casualty executives that an amicable adjustment of the disturbed Chicago situation will be reached within a short time, following which a systematic effort will be put forth to clear up rule infractions in other important centers.

At a well attended meeting of the national agency committee of the acquisition cost conference here Friday, the troubles at Chicago were reviewed at considerable length. The upshot of the deliberations was a decision to secure from each of the member companies written approval of the agreement recently arrived at between a subcommittee of the national committee and representative Chicago agents for handling affairs in the latter city. While the agreement in question was wholly acceptable to the agents, they declined to act under it, refraining from the selection of an arbitrator to hear all complaints of alleged rule violations and impose penalties therefor in cases of conviction, or from making any other move, until thoroughly convinced of the good faith of all of their companies. Written assent to the plan is now being secured from the interested offices, and it is expected all will have signed within a few days.

By the first of next month it is assumed the national agency committee will be ready to proceed further with its reformatory program, naming subcommittees to deal with situations at all trouble centers. Companies will be required to list all agency appointments and to make these conform in number and character to the acquisition cost rules.

H. S. ROBINSON HAS TENDERED RESIGNATION

H. S. Robinson, vice-president of the Pennsylvania Surety of Pittsburgh in charge of underwriting, has resigned. He has not completed his plans yet for the future.

Mr. Robinson started his insurance career in 1911 with the Pennsylvania Casualty. He then went with the Fidelity & Deposit in its casualty department when it was in that line of business. In 1916 he went with the home office of the New Amsterdam Casualty in Baltimore, being assigned to the compensation and liability underwriting departments. Later he was made assistant superintendent. He resigned this position in 1926 to go with the Republic Casualty & Surety, the predecessor of the Pennsylvania Surety.

Indiana Contract Purchased

The Republic Casualty & Surety of Chicago has purchased from Harry C. Baldwin of Indianapolis its general agency contract under which he was operating in that State. Hereafter all business from Indiana will be handled direct by the home office in Chicago.

New agency contracts are being made with all agents that were formerly under the general agency. It is understood that this new contract has a contingent feature which enables the agents to share in the profits realized from selective business.

New Company Licensed

The Greater City Surety & Indemnity has been licensed by the New York department. It has capital \$250,000, surplus \$125,000. A. L. Garbat is president and Joseph J. Schickler, secretary.

CHANGES IN DISABILITY POLICIES

Brief Review of News About Policies, Riders and Rates, Which Are Given in Full in the Policy Analysis Section of The A & H Bulletin, Published Monthly by The National Underwriter Company.

EAGLE INDEMNITY

The Eagle Indemnity is issuing the standard air travel rider for its accident and disability policies.

* * *

ROYAL INDEMNITY

The Royal Indemnity is issuing the standard air travel rider for its accident and disability policies.

* * *

UNITED STATES F. & G.

The United States Fidelity & Guaranty has withdrawn from sale the "Physician's & Dentist's Income Accident Policy."

* * *

MONARCH ACCIDENT

The Monarch Accident has revised all of its policies and writes now only on the non-cancellable plan. All except one of the new forms may be written on the pro-rating or non-pro-rating form of Standard Provision No. 1 and the exception may be written only with

the non-pro-rating form. Optional Standard provision 17 has been omitted from all Monarch Accident policies and the "Crescent Policy" has been withdrawn from sale.

MUTUAL BENEFIT HEALTH & ACCIDENT

The Mutual Benefit Health & Accident is issuing three non-cancellable forms, each with essentially the same coverage but with varying indemnities. The non-cancellable provision provides that insured may continue the policy in force until age 65. The policy provides for payment of life indemnity during total disability for both accident and sickness.

* * *

PAN AMERICAN LIFE

The Pan American Life has revised its "Palic Special Accident Policy" to allow five days for development of total accident disability. Heretofore, policy required total disability from date of accident.

OFFICIALS CONFIDENT OF INCREASED RATES

(CONT'D FROM PRECEDING PAGE)

garded as being a bonding, rather than an insurance form of indemnity.

Confiscation protection is mainly called for by finance companies and automobile dealers handling cars on the time payment plan and anxious to get indemnity should an automobile in which they have a vested interest be seized by representatives of the federal government for alleged bootlegging. While some casualty companies grant indemnity of this character through their bonding departments, the major part of the business is written by surety offices. Not a few bonds are issued to assureds on the Pacific Coast, innocent car owners desiring to be safeguarded against the loss of their machines should a servant use it to carry liquor wholly without the knowledge of the owner. Confiscation indemnity differs from conversion cover, in that the latter indemnifies for loss should a car owner dispose of the machine before it be fully paid for, and thereby defraud the finance company or initial owner of its or his equity in the property.

New Federal Surety Director

Alfred C. Mueller, former mayor of Davenport, Ia., and prominent in legal and political circles, has been elected to the board of directors of the Federal Surety. He was chosen to fill the post vacated by the death of Charles Grilk of Des Moines.

"Mr. Mueller's election to the board will in no way affect the legal department of the company as it is now organized," said Vice-president W. L. Taylor, "except Mr. Mueller will become the legal advisor to the finance committee, which has charge of the company's investments. All other legal matters will be handled by the home office legal staff."

U. S. F. & G. Breaks Records

BALTIMORE, MD., Aug. 1.—Earnings of the United States Fidelity & Guaranty broke all records for the first six months of 1928. The underwriting profits including interests on investments totaled \$3,249,362.42 as compared with \$1,078,943.43 for the corresponding period of 1927. The total income for the six months was \$22,763,419 compared with \$21,623,149 in 1927.

CHANGES RECOMMENDED ON CONTINGENT FORMS

WIDER FIELD FOR COVERAGE

Automobile Managers Seek to Simplify Classifications on Liability Contracts to Save Time

NEW YORK, Aug. 1.—An extended study of the interesting problem of contingent automobile liability insurance has been made by the Automobile Casualty Underwriters Association, an organization formed by managers of the automobile underwriting departments of the different casualty companies last April, and of which Ambrose Ryder, Great American Indemnity, is chairman. Certain recommendations regarding the present policy form and the manual group ratings have been submitted to the National Bureau of Casualty & Surety Underwriters. The contract changes proposed would, in the opinion of the automobile managers, make for greater clarity of intent and would materially simplify the risk classifications, saving the time both of agents and head office men in the consideration of contingent liability risks.

Field Greatly Broadened

The field for contingent automobile liability covers has broadened immeasurably in the light of recent court decisions, notably that in the famous California case of Dillon vs. Prudential, in which the company was held liable for the torts of its agents. Company officials are now urging their field representatives to seek the business energetically.

It has been made clear to employers that under certain conditions they may be held liable for damages caused by an employee, even though the latter is using his own automobile at the time of the accident. Further in a number of instances the courts have held employers for damage caused by outside parties doing draying or repair work upon the premises, extending thereby the law of liability to cover the acts of temporary or of seemingly independent workers.

Issues New Golfer's Policy

The Globe Indemnity has issued a new combined golfers' policy. The provisions are more liberal and it has a world-wide coverage feature. The policy pays \$7,500 for loss of life or the sight of both eyes. In many policies the coverage for this item is only \$5,000. The Globe pays \$3,000 for loss of sight of one eye and has extended its liability limits from the usual \$5,000/\$10,000 to \$10,000/\$25,000. The policy also covers property damage liability to the extent of \$1,000, which is a new feature. The floater coverage has been increased to \$200 and the \$25 deductible clause is applicable to theft only while it usually is applicable to all hazards. The floater is issued in connection with the Liverpool & London & Globe group. Endorsements will be added to include all sports for an additional premium.

If liability, property damages and floater coverage is extended to include other sports, the additional premium is \$2.50 for one year and \$7 for three years.

Mutual Promoter's License Suspended

BOSTON, Aug. 1—Graff W. Simmonds, foremost in organizing the Bristol Mutual Liability at New Bedford last year and its vice-president, as well as treasurer of Simmonds & Co. of that city, more recently retired from both connections and a broker in Boston, had his license suspended by the Massachusetts department last week for the balance of its unexpired term. The license was suspended upon Simmonds' default in answering charges preferred by the Trade Mutual Liability, alleging failure to account for certain money said to have been collected by Simmonds as an insurance premium.

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UNDERWRITING PUBLIC OFFICIALS EXPLAINED

Vice-President Wellener of the Fidelity & Deposit Writes Booklet

"HOLD-OVERS" POOR RISKS

Town and School Treasurers Most Profitable Class of Business—State Treasurers Unsatisfactory

A new booklet has been published by the Fidelity & Deposit on "Public Official and Depository Bonds." Vice-President Paul L. Wellener is the author of this instructive treatise on the underwriting principles of these forms of coverage. The principal underwriting questions involved in all these classifications, according to the booklet, are as follows:

1. For what length of time is the official elected or appointed? 2. Is a statutory form of bond required, or may a common law form be used? 3. Does the applicant enjoy an exceptional reputation for honesty and integrity? 4. Is his education and previous business experience such as to enable him to efficiently perform the duties of his office? 5. Is he a man of means? What is his financial worth? 6. Has he occupied the same office before, and if so, did he satisfactorily discharge his duties? 7. What amount of money will be handled annually? 8. How will bank deposits be protected? 9. Will he collect taxes, and how will he be relieved from liability for uncollected taxes? 10. Will he employ assistants or deputies and will such assistants or deputies furnish corporate bonds?"

New Officials Best

Officials who are newly elected to office or are new appointees are regarded as preferred risks for bonds. In the language of a public official underwriter, a reappointed or re-elected official is known as a "hold-over." "The reason that 'hold-overs' are not considered good risks," says Mr. Wellener, "is that shortages may have developed during their earlier terms of office, but which up to the time of their re-election may not have been discovered. Although subsequent investigations may strongly point to the fact that the acts giving rise to the shortage occurred during some previous term, the investigations may not develop sufficient definite facts so as to prove that the shortage actually had occurred previously. In that case, the last surety on the official's bond is required to pay the loss, even though such surety has not had the benefit of premiums covering the official's prior term of office."

Covered Up Shortages

"It has frequently happened that an official who had defaulted during a prior term had 'kited' his shortage along by applying new receipts and current funds to settle his accounts for the previous term. Tax collectors have also been known to apply subsequent year's tax collections against tax shortages in prior years. Then there have been cases where officials have borrowed from banks, or from their friends to make up a defalcation, with the expectation of being able to make good the shortage upon being re-elected and continuing in office. Obviously a hold-over risk is one to be regarded with prejudice at the outset."

Mr. Wellener classifies the various public officials in order to be more specific in his comment. In the case of treasurers' bonds, the surety guarantees the honesty of the treasurer and, in

MORRIS ASSUMES POST WITH NORWICH UNION

HAS HAD EXTENDED CAREER

President H. P. Jackson Arranges for a New Manager in Charge of the Chicago Office

George H. Morris has assumed his new duties as manager of the Chicago and western department of the Norwich Union Indemnity, succeeding Russell S. Chaloner, who has become underwriting manager for the new Lincoln Lloyds of Chicago. Mr. Morris has been in the casualty business for some 26 years. He started as office boy with John H. Nolan, manager of the Travelers. He was associated with the Maryland Casualty and for some time was connected with the Ocean Accident at Chicago, being a general utility man and used in all kinds of work. He then was with the United States headquarters of the Zurich under Manager A. W. Collins, being his chief lieutenant in the underwriting department. Mr. Morris then took charge of the casualty department of the Rollins-Burdick-Hunter Company of Chicago, remaining in that position until he was compelled to resign on account of ill health. He is now getting back on the firing line again.

President H. P. Jackson of the company was in Chicago last week arranging for Mr. Morris to assume the managership.

In addition, the surety may be responsible for loss occasioned by bank failure. A great many complications may arise out of loss of bank deposits and the safest method of handling applications for treasurers' bonds is to require the applicant to agree in writing that he will deposit no public funds in any bank, unless such deposits be covered in full by corporate depository bonds.

State Treasurers Unprofitable

Mr. Wellener quotes the company's experience on the various classes of business. Bonds of state treasurers have been unprofitable with a loss ratio of 53.5 for the period of 1921-1926, inclusive. The loss ratio in 1927 was only 10 per cent, but the forms on this class of business over a long period of years are not profitable because state treasurers are obviously limited in number, which makes an insufficient spread of risks. A single serious loss absorbs all premiums received for a number of years. "The individual bonds are usually large," says the author, "and the individual premiums represent an attractive target for the so-called solicitor on commission, but such bonds are difficult to underwrite, because of the very considerable amount of money handled by each treasurer, coupled with his manifold responsibilities, such as bank responsibility and responsibility for acts of subordinates. State treasurers represent ultra-hazardous risks, and they should not be executed unless all conditions are very favorable."

Town Treasurers Good Risks

The Fidelity & Deposit records show the bonds of county treasurers have been unprofitable in the six-year period, 1921-1926, inclusive, the loss ratio being 83.1 per cent. The ratio for 1927 was better, being 45.7 per cent. A large part of the loss on county treasurers' bonds has been occasioned by bank failures, where insufficient depository protection has been furnished, according to Mr. Wellener. "There has also been a pronounced loss on county treasurers' bonds occasioned by absolute dishonesty of the treasurers themselves. Dishonesty on the part of deputy treasurers also accounted for a measure of the loss."

The loss ratio of 55.2 per cent for a period of six years for city treasurers indicate that there is a need for greater

OLD SUSPENSION RULE ON AUTO LIABILITY RESTORED

PENALTY CHARGE IS DROPPED

New Plan Adopted by National Bureau Some Months Ago Has Been Rescinded

NEW YORK, Aug. 1.—Formal notice has been given by the National Bureau of Casualty & Surety Underwriters to its members of the rescission of the automobile liability insurance suspension rule adopted some months ago, and the restoration of the rule and endorsements contained in the 1927 manual. By the terms of the latter return premiums for suspensions are to be computed on a pro rata basis, and no penalties are to be imposed. Under the regulation, however, the suspension must run for 60 consecutive days between Nov. 1 and May 1.

Suspensions are frequent in the northwest, where severe weather during the winter months often makes motoring virtually impossible and induces the laying up of machines. Pro rata credits for the suspension periods were allowed prior to the early part of the present year, when a penalty charge, about midway between pro rata and short rate, was imposed. The program, however, was not a popular one. Agents in various sections of the country protested bitterly against it. Their protest has been heeded and the old rule is again in force.

care in the selection of individual risks, says the booklet. There has only been a small volume of premiums written on the business of town treasurers, and the six years' experience was 37.5 per cent and for 1927 only a 10.1 per cent loss ratio was incurred. Experience on the bonds of town treasurers is better than the treasurers in the larger political areas because the amount of money handled by each individual treasurer is small.

The Fidelity & Deposit urges the writing of more business of this class. The bonds of school treasurers are also labeled very desirable. Mr. Wellener said that usually the individuals are well educated and have a well developed sense of moral responsibility.

INVOLVE GREATER HAZARDS

"The bonds of tax collectors," says the booklet, "are more often risks involving greater hazards than those of treasurers, and it frequently happens that a treasurer also serves as tax collector. The bonds of tax collectors are particularly hazardous because of possible liability on the part of surety for the failure of the collector to actually collect taxes, with the collection of which he may be chargeable. In most states the tax collector is furnished with a list of taxpayers, with the amount of taxes assessed against each, both real and personal. In connection with taxes on real property, the collector is charged with the responsibility of collecting the taxes within a given time, or else advertising the property for sale."

Must Be Exonerated

"In the case of personal taxes, he is required to make an earnest effort to collect such taxes within a specified time and should he fail in his attempts to make the collections, to report the delinquents to his superiors as being insolvent and therefore uncollectable and then to have his superiors exonerate him from further responsibility in connection with the delinquent taxes. The collector may also be held liable in the case of delinquent taxpayers, if he fails to make his claim for exoneration within the time limit prescribed by law."

"In the tax collectors' group the same general experience is observed as that in connection with the bonds of treasurers. State, county and city tax collectors as

DIFFERENCE OF VIEW AS TO PLATE GLASS

Some Underwriters Object to a Reduction All Along the Line

WANT BIG RISKS SAVED

Declare That Credit Should Be Given to Assured Paying the Large Premiums

NEW YORK, Aug. 1.—There are differences of opinion among casualty officials writing plate glass insurance as to the promulgated reduction in rates.

There is an element among the companies that believes it is most unwise to grant a reduction on the smaller premium risks. There is no difficulty in holding this business. The small risk will renew. The profit on the low premium risk has not been unreasonable. The larger premium risks, these officials say, are the most desirable, and they are the most difficult to secure and maintain. Take a premium of from \$500 upwards and it is almost impossible to retain it on the books.

Want Experience Rating Plan

The companies that have gone into the subject exhaustively say that some experience rating plan or some method should have been worked out to give relief to the higher premium risks. Superintendent Behar of New York prohibited the experience rating plan and so the plate glass companies abandoned it. Some officials declare that an experience rating method should be put into effect outside of New York state in order to enable them to satisfy the big premium risks which are most desirable.

Become Self Insurers

Many of the large premium risks become self insurers because they feel that rather than pay out so large an amount as a premium they can well afford to carry their own insurance. They are attracted to the 50-50 policy because it means a much smaller initial outlay for the insurance. Many of these assured declare that the hazard with them is not so great, the plates are well set, there is no chance of sagging. Workmen about the premises exercise great care. However, they are interested if the premium is gotten to a reasonable amount. The 50-50 companies have succeeded in attracting a number of these risks.

NO CHANGE FOR MOTORS

NEW YORK, Aug. 1.—While plate glass insurance rates throughout the country generally have been revised, the new figures to become effective as of Sept. 1, there will be no change in those applying to plate glass coverage on automobiles. The charge for this type of indemnity is \$3 for open pleasure cars, and \$6 for closed machines. The growing use of non-shatterable glass for both windshields and windows in automobiles is a feature of the business to which underwriters will have to give attention. The replacement cost of glass of this character is almost double that of plain lights. While the writing of plate glass insurance on automobiles does not loom large as yet, the business is growing steadily and is well worth cultivating by local agents.

a class have not been profitable, whereas a good experience has been enjoyed under the bonds of township and school

(CONTINUED ON PAGE 48)

**FRED L. NESBITT NEW
BRANCH OFFICE HEAD****MADE MANAGER AT ATLANTA**

**Fidelity & Deposit Establishes Its Own
Quarters to Handle Important
Territory in the South**

ATLANTA, GA., Aug. 1.—The Fidelity & Deposit has opened a new branch office in Atlanta. Fred L. Nesbitt is manager and Ashby C. Taylor is assistant manager. The new branch will have under its control all of Florida except Jacksonville and Tampa, which will report to the home office direct; all of northern Alabama, including Birmingham, and Macon and Savannah, Ga. The well-known firm of Haas & Howell will continue as general agents for the F. & D. for all of Georgia except the cities named. Haas & Howell have represented the F. & D. many years and have built up a strong agency force that has been outstanding in its results.

The F. & D. has maintained a southern agency supervisory office in Atlanta for several years, with offices at 405 Haas-Howell building, where the new branch will remain.

Fred Nesbitt's Career

Manager Nesbitt has been with the F. & D. for eight years. His total experience in surety business embraces about 15 years, however, he having been with the American Surety and the Fidelity & Casualty at Richmond, Va. At Richmond also he served three years as associate manager for the F. & D. just before he was appointed southern supervisor with Atlanta headquarters.

Mr. Taylor has been in the southeastern branch office of the Employers Liability in Atlanta, serving the last

two years as manager of the bonding department. For more than five years before going with the Employers Mr. Taylor was with the Indemnity of North America. Mr. Taylor is succeeded with the Employers by V. M. Clifton, who has been special agent for the company in Florida.

W. L. Rossiter, who has been attorney and adjuster for the F. & D. in the Atlanta supervisory office for the past four years, continues in that capacity, with the added latitude given by the new nature of the office.

George H. Bryan has been appointed traveling representative for the new branch office, and will have his headquarters in a Florida city. He has had much experience in Florida, having represented the F. & D. there as general agent. He has been in the business for six years, and was with the Maryland Casualty in Charlotte for some time before going to Florida. He is at present in Florida in the interests of the new organization.

The opening of the new F. & D. branch in Atlanta follows the trend in recent months along this line on the part of the leading companies. Complete service branch offices are now maintained in Atlanta and other southern cities by several companies, and the F. & D.'s move has put it in a position to go ahead with the greatest expansion. Manager Nesbitt confidently expects to show excellent results, and with the competent staff he has assembled it is the belief of his friends and associates that rapid strides will be made.

**FEDERAL SURETY SHOWS
SOME FINE INCREASES**

The Federal Surety semi-annual statement filed with the United States Treasury department as of June 30 shows net premiums for the first six months of 1928 to be \$934,689 or a 10

percent increase over the corresponding period a year ago, with net losses of \$359,701 or a loss ratio of 38.4 percent, being 2.1 points under the experience for last year.

The statement shows admitted assets to be \$2,380,664 or an increase over December 31 of \$78,187. Its unearned premium reserve increased \$57,139 and its net surplus increased \$11,585.

Brennan Critically Ill

George E. Brennan of Chicago, manager of the United States Fidelity & Guaranty in that city, has been critically ill in a Chicago hospital due to septic poisoning following the extraction of two teeth. Mr. Brennan is nationally known as the leader of the Democratic organization in Chicago and is Democratic national committeeman from Illinois. At the last election he was candidate on the Democratic ticket for United States senator. Mr. Brennan's condition on Monday and Tuesday was considered hopeless but he rallied Tuesday night. It is now hoped that he will pull through.

Fail to Collect on Stock Pledges

LANSING, MICH., Aug. 1.—Two efforts of the Michigan Surety to collect the full amount of stock purchase pledges for shares of the Peninsular Casualty of Grand Rapids, whose assets the Lansing carrier assumed upon organization a few years ago, met with failure last week through a decision of the Michigan Supreme Court.

The sales agreement used in contracting for the purchase of the Peninsular stock, the court pointed out, specified that "the first payment hereon shall be liquidated damages should I fail to complete the payments as above mentioned." On this point the court decided for the defendants in the suit brought against Mr. and Mrs. W. A. Baker and A. N. Baker, from whom only the first payment on stock was collected.

**WANTS THE ORDER OF
THE COURT SET ASIDE****BAIL BOND CASE AT ISSUE**

**Southern Surety Petitions United States
Supreme Court in Effort to Get
Decision Reversed**

The Southern Surety is endeavoring to have the United States Supreme Court set aside an order of the United States District Court in South Dakota which would forfeit a \$15,000 bail bond it executed to secure the release of B. I. Sellinger. The bond was given following the indictment of Mr. Sellinger at Sioux Falls in October, 1924, for using the mails to defraud in promoting the defunct Midland Packing Company of Sioux City. The Southern Surety declares that its representatives surrendered Sellinger to a United States marshal at New Orleans before the trial. It claims that although he was then released on a writ of habeas corpus he arrived in Sioux Falls after the date set for his appearance but in time for the trial. The trial court ordered the bond forfeited and its decision was affirmed by the United States Circuit Court of Appeals.

Four Lawyers Indicted

Nine indictments on various counts of forgery and larceny were returned in New York City as a result of the campaign against ambulance chasing that has been in progress for a number of weeks.

Michigan Hearing Postponed

LANSING, MICH., Aug. 1.—The hearing on the revised compensation rates for Michigan, which was to have taken place before Commissioner Livingston today, has been postponed until Aug. 12.



The AMERICAN GUARANTY COMPANY

COLUMBUS, OHIO

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EXPLANATION OF PUBLIC LIABILITY CHANGES MADE

SEVERAL PUT ON NEW BASIS

Reasons for Adoption of Area and Frontage Instead of Payroll as Controlling Factor

NEW YORK, Aug. 1.—In explanation of various changes in minimum risk, premium rate and classification recently determined upon by the National Bureau of Casualty & Surety Underwriters with respect to owners, landlords and tenants public liability lines throughout the country, it is pointed out that the inside hazard for public garages or automobile repair shops was previously rated under the automobile public liability manual, the minimum premium varying from \$20 to \$25, depending upon location. Prior to July 15 automobile repair shops and public garages, open air parking stations and sales and service rooms were written on the payroll basis provided for in the automobile manual and the new area and frontage rates were designed to reproduce the existing rate level.

Blasting was eliminated from the list of classifications assignable to Table "A" for the reason that no blasting classification appears in the manual. Property damage rates on risks in rate group 22 are now designed upon an area and frontage basis instead of upon a pay roll basis as previously, the new figures retaining the former rate level.

Commonwealth Casualty Figures

The Commonwealth Casualty of Pennsylvania as of July 1 shows assets \$3,854,757 as compared with \$2,480,348 Dec. 31. Its premium reserve is \$1,070,527, capital \$1,100,000 net surplus \$963,477. Its premiums written the first six months amounted to \$1,707,789, as compared with \$1,473,406 during the similar period last year. The Commonwealth Casualty is making steady progress.

Reduces Its Par Value

The Pacific Mutual Life has now taken formal action in reducing the par value of its stock from \$100 to \$10 a share. The number of shares has been increased from 40,000 to 400,000. The capital remains the same at \$4,000,000. This will give general agents and policyholders an opportunity to buy the stock in smaller amounts.

Alliance Casualty Incorporated

The Alliance Casualty of Philadelphia has been incorporated in Pennsylvania with a capital stock of \$1,000,000. It will be attached to the Insurance Company of North America fleet. The North America already has the Indemnity Company of North America. The Alliance Casualty will be under the same management.

Royal Indemnity's "Ad" Service

To aid its field men in prosecuting sales campaigns the Royal Indemnity is prepared to submit to agents "all forms of advertising literature, circulars, stickers, etc., and if desired will outline a complete mail campaign on any particular line written by the company.

Get Great American Indemnity

Warren & Carlisle, South Bend, Ind., have been appointed general agents for the Great American Indemnity. The agency, since its formation five years ago, has made rapid strides and promises to become one of the most influential offices of its kind in its home state.

Grand Jury Probe Sought

MILWAUKEE, Aug. 1.—Demand for a grand jury in Milwaukee to investigate the writing of surety bonds by public

officials on contractors doing public work was made Tuesday in a resolution presented to the Milwaukee county board of supervisors by Frederic Heath, Socialist member of the county board. The resolution asked Judge George A. Shaughnessy of the municipal court to call the grand jury and to vote indictments if violations are found.

Union Indemnity Helps in Capture

Working in close collaboration with Los Angeles detectives, Matt T. Mancha & Co., agents of the Union Indemnity in that city, have unearthed information leading to the arrest and confession of Johnny Hawkins, former captain and star football player of the University of Southern California. Hawkins admitted more than 26 burglaries in the past eight months and \$35,000 plunder was found in the attic of his home.

The Union Indemnity entered the case when property to the amount of \$6,500 was stolen from the residence of one of its assureds.

Iowa Approves New Forms

The Iowa department has approved the new residence burglary policies, adopted some months ago, to become effective July 1.

Perilloux Ends Agency Trip

E. A. Perilloux, assistant secretary of the Union Indemnity, has just returned from a trip through the middle west during which he visited the Milwaukee and Indianapolis offices of the Union Indemnity and Northwestern Casualty & Surety.

Wants Compulsory Law in Idaho

BOISE, I.D.A., Aug. 1—Recommendations that the Idaho legislature enact a compulsory liability insurance law similar to the Massachusetts law was made by a committee representing the Idaho State Bar Association. The matter is expected to come before the legislature in January, 1929.

Provide International Claim Service

Arrangements have just been completed whereby the Union Indemnity and the Northwestern Casualty & Surety will provide their policyholders with claim adjustment facilities on both sides of the Atlantic and in virtually all civilized countries. This means that wherever the accident or loss occurs the assured is conveniently near the representatives of Union Indemnity and Northwestern Casualty & Surety, so that his claim may be adjusted expeditiously, without delay and without red tape.

A firm of international claim adjusters will handle these claims arising in foreign countries in connection with all insurance written by Union Indemnity and its affiliated companies.

Pacific Employers Appointment

The Victor Montgomery general agency of Los Angeles, underwriting manager for the Pacific Employers, has announced the appointment of S. F. Norwood as superintendent of the development department of the northern California branch at 60 Sansome street, San Francisco. He was formerly with the London & Lancashire Indemnity and also for some time with the Globe Indemnity.

Injury Outside State Covered

JEFFERSON CITY, MO., Aug. 1.—The Missouri workmen's compensation law covers injuries to employees of Missouri corporations which occur outside the state, the Missouri Supreme Court ruled. The court stated that the establishment of the Missouri workmen's compensation commission is legal in every respect.

The case was that of W. C. Amick, a traveling salesman for the Bremen-Clark Syrup Company, who was injured in an accident in Oklahoma while in that state on business for his employer. The syrup company questioned the legality of the award by the Missouri compensation commission on the grounds that the injuries sustained by Amick occurred outside the confines of Missouri.

The decision held the compensation contract between Amick and the company was made in Missouri and therefore came within the jurisdiction of the Missouri commission.

It was the first court test of the powers of the Missouri commission under the law voted at a referendum election in 1926.



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WORKMEN'S COMPENSATION

NEBRASKA RESULTS BETTER

Annual Report of Compensation Commissioner Shows Improved Experience in That State

LINCOLN, NEB., Aug. 1.—The annual report of Compensation Commissioner Kennedy shows a better underwriting experience in Nebraska. Total premium collections were \$1,573,649 for the year, and losses paid, \$988,957, as compared with premiums of \$1,443,855 and losses of \$993,046 for the preceding year.

The campaign against high medical and surgical attendance costs was reflected in the decrease of the amount paid for these items from \$320,166 to \$300,390, while the amount paid for compensation to workers increased from \$673,279 to \$692,594. The fees in individual cases also decreased. During the year 341 cases were reported in which the medical expense exceeded \$100. Of these, 262 were from \$100 to \$200, where the medical expense and compensation totaled almost the same. In 73 cases the medical expense was from \$200 to \$500, totaling \$20,810, where compensation was \$27,819. In six cases the medical expense exceeded \$500, averaging \$700, while compensation averaged \$1,000. In the 341 cases the total medical expense was \$62,099 and the compensation \$71,642, indicating that the savings in medical expense were on the minor injuries, on the percentage basis.

A total of 19,045 accidents, an increase

of 224 for the year, were reported. As 14,394 of these were accidents where lost time was a week or less, no compensation was paid, but medical expense totaled \$104,125.

Hold Injury Not Covered

LANSING, MICH., Aug. 1.—Use of one's employer's car to drive home to lunch is not a condition of employment and injury while engaged in such an enterprise is not compensable, according to a decision of the Michigan Supreme Court, setting aside an award of the department of labor and industry in the case of Edward L. Otto vs. L. A. Chapin and the Aetna Life. Chapin was conducting an auto drive-away business and employed Otto as a driver. When Otto cranked his employer's machine to go on the errand previously described he sustained an injury for which he brought a claim under the compensation act.

Hold Hearings in Saskatchewan

REGINA, SASK., Aug. 1.—The inquiry commission on workmen's compensation, which has been holding hearings at Regina, for the past few weeks, has concluded its work. Officials of the Brotherhood of Firemen & Enginemen presented their views, as did also the representative of the Regina branch of the Canadian Manufacturers Association, the latter favoring the state insurance plan, as compared with the present system. The former organization is in accord with the proposal of collective liability, if the commission favors this, provided certain scales of compensation are accepted.

ACCIDENT AND HEALTH

LIST CONFERENCE SPEAKERS

MacEwen, Dingman, Rainey and Simmons on Program for Health & Accident Underwriters Meeting

Several headliners for the coming annual meeting of the Health & Accident Underwriters Conference, to be held at the Edgewater Beach hotel in Chicago Sept. 5-7, have been announced by C. O. Pauley of the Great Northern Life, chairman of the program committee.

"Modern Trends in Disability Insurance" will be discussed by D. C. MacEwen, junior vice-president of the Pacific Mutual Life, who has given especial attention to underwriting problems in accident and health insurance in connection with his work as an official of the Pacific Mutual's accident department.

Dingman Speaks on Psychology

Dr. H. W. Dingman, vice-president and medical director of the Continental Assurance and Continental Casualty, is preparing a paper on "Psychology in Underwriting." Dr. Dingman is well known to accident and health men as an able speaker and a keen student of the business.

"Salesmanship," particularly as it relates to the sale of accident and health insurance, will be covered in an address by James L. Rainey, agency supervisor of the Missouri State Life. Mr. Rainey is recognized as an authority on the sales end of the business.

Ted M. Simmons of the Pan-American Life will introduce and conduct a round table discussion of "Is the Number of Policies Declined Too Large?" He is expected to present some surprising figures in regard to declinations and it has been suggested that it might be worth while for each company executive, before coming to the meeting, to determine how many signed applications his company turns down each year.

TWO HEAVY LOSS FACTORS

Health Insurance and Automobile Deaths Cause Big Drain on Disability Companies

It is probably about a toss-up as to whether health insurance rates or the automobile accident hazard occupy first place in the minds of officials of companies writing accident and health insurance. Both have been a tremendous drain on the companies and on neither angle is there any improvement in sight, in the opinion of most company executives.

Several companies have recently made increases in their health insurance rates, but say frankly that they do not consider that it is the real solution of the problem, especially in regard to old policyholders. One company which recently made a fairly large increase in health rates on new policies, not affecting those now in force, is seriously considering the inclusion of a one-week elimination clause in all of its outstanding policies. It is felt that there is serious danger that an increase in rates will drive out the desirable policyholders, while those who are expecting to present claims will retain their insurance even at the higher rate. It is not believed, however, that this would be true in connection with the elimination period.

Elimination Is Logical Solution

Companies are very generally agreed that the elimination period for health insurance is the logical way to get rid of the small claims, which have been primarily responsible for the big drain on the business, but the great difficulty so far has been in getting the agent to sell the elimination period policy. However, if a company's business should be put entirely on that basis, and there is nothing else for him to sell, it is believed that he will have to come to it.

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dental death claims this year, with probably the majority of them due to automobile accidents. One middle western company reports that its accidental death losses for the first half of 1928 are in excess of those for the entire year 1927, and that most of them are clear cut cases, where there is nothing for the company to do but pay the claim. Usually when there is a flood of death claims, it is found that a considerable number of them are of a questionable character, but this company has only two among those now pending where there is any question whatever as to the company's liability under the policy.

STEEL WORKER WORST RISK

Has Most Accidents, According to U. S. Statistics—Manuals Put Railroad Switchmen First

Statistics just given out by the Bureau of Labor Statistics in Washington class the construction of skyscrapers and other structural steel buildings as the most hazardous of occupations, with an accident frequency rate of 85.8 for every 1,000,000 of exposure, while brakemen in railroad yards stand second in accident frequency rate. Coal mining is also placed very high on the list of hazardous industries.

The relative hazard in these classes as indicated by the bureau's statistics does not entirely accord with the experience of accident companies. Of the occupations named, switchmen, brakemen and other workers in railroad yards are listed in the classification manuals of both the Bureau of Personal Accident & Health Underwriters and the Health & Accident Underwriters Conference in the class that represents the very pinnacle of hazardous occupations, ranking with shot firers and blasters in mines and workers in fireworks factories. Structural steel workers are put in one class higher so far as the

hazard of their occupation is concerned, with miners in the same class.

Industrial workers of all classes lost a total of 7,041,875 days on account of injuries in 1927, according to figures of the National Safety Council. One person in every 16 employed suffered an injury last year and the average days lost by injury were 71. There is one fatal accident for every 155 non-fatal accidents, the council estimates.

NEGRO OFFICERS CONFERENCE

Executives of Chicago Companies Meet Monthly and Discuss Problems of Mutual Interest

The officials of the Negro companies in Chicago have a conference that meets every month at which some official gives a talk on problems of mutual interest. There is a different chairman every meeting, but V. D. Johnston, secretary of the Victory Life, acts as secretary of the conference. The companies interested are the Victory Life, Liberty Life, Underwriters' Mutual, Protective Mutual, Unity Mutual and Pyramid Mutual. The last four named write weekly payment health, life and accident insurance. The Liberty Life writes industrial life insurance in Chicago. One of the features of this conference is a monthly meeting of all agents in the Y. M. C. A., at which some inspirational talk is given. The speaker is usually someone not connected with insurance who deals with a general subject.

Burial Associations Active

Some of the companies writing weekly payment health and accident insurance among the colored people of Chicago say that burial associations are becoming more active now. These associations charge 50 cents a week and provide a burial expense of \$400 for the head of the family. For an additional

5 cents a week a similar burial is provided for any other member of the family. The burial association memberships are sold to the more credulous, who do not realize that for the same amount of money expended they could get much more life insurance.

Covered Under Special Policy

In an appeal from a judgment under an accident policy, the policy provided indemnity for accidental injury to insured "while actively engaged in farming, by actual contact with and while operating a threshing, mowing, reaping or binding machine, harrow or plow." Appellee was operating a binding machine, harvesting rice; was down under it, making some adjustments or repairs, when a sledgehammer in the seat fell off and struck his foot, so injuring it that he was taken to the hospital, where his toe was amputated, and the loss of 15 weeks' time from total disability resulted. Appellant insisted that the injury was not covered, and that was not shown to have resulted from actual contact with the binding machine while operating it.

The court held that plaintiff could recover, the repairing or readjustment of the machine was necessarily a part of its operation, and the accidental injury resulting from the falling of the sledgehammer out of the seat on the binder, where it was carried for use in repairing the machine, on the foot of appellee, while he was so engaged, was necessarily caused by actual contact with and while operating the binding machine.—Great American Casualty vs. Williams, Supreme Court Ark.

Compromise Held Binding

Under the terms of the contract of insurance, if appellee was seized with an attack of vertigo that caused him to fall and receive the injury, he was only entitled to the smaller sum. If he was not seized with such attack and his fall caused by stumbling on the platform, he was entitled to recover the larger amount. With full knowledge of all the circumstances of the manner in which he received his injury, and with full knowledge of his contract of insurance,

for the policy was in the possession of his attorney, and with the benefit of advice of an attorney of his own choosing, the compromise agreement was voluntarily made and an absolute release voluntarily executed. Judgment for appellant company. Continental Casualty vs. Simpson, Ct. of Civil Appeals, Texas.

Reports Notable Progress

Vice-President T. Leigh Thompson of the National Life & Accident, head of the casualty department of the company, which handles its commercial and monthly premium accident and health business, reports notable progress for the first six months of this year, with 139 percent of the half-year allotment realized by the field force. Of 106 districts, 54 finished the first six months with 100 percent or more of their allotment and 81 districts finished that period with increase.

Abraham Lincoln Convention

The Abraham Lincoln Life has announced the program for its Rail Splitters Club convention, to be held in Detroit Aug. 6-8. Commissioner C. D. Livingston of Michigan will be the only outside speaker. Addresses will be given by President H. B. Hill, James Fairlie, vice-president and actuary; F. M. Feffer, vice-president and agency director; O. F. Davis, assistant agency director; A. D. Freyer, manager sales promotion department; Fred Hooker and Daniel O'Neill, general agents.

After Philadelphia Associations

Attorney General Baldwin of Pennsylvania has taken action in the Dauphin county court to cancel the charters of two Philadelphia sickness and death benefit associations. The attorney general claims both associations are insolvent. Aug. 6 has been fixed as the date for hearing.

The charters the attorney general seeks to revoke are those of the National Security Association, 715 Public Ledger building, Philadelphia, and the Liability Mutual Aid Association, 1840 Federal street. Charles F. Lutz, Rome, N. Y., is president of the first group while

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TORNADO



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SPECIAL AUTO
ACCIDENT

John Crump, Philadelphia, is president of the latter.

Arkansas Company Reinsured

LITTLE ROCK, ARK., Aug. 1.—The United Security Life & Accident of Little Rock has reinsured all of its policies with the Pyramid Life of Little Rock, and the former company has discontinued business.

The reinsurance contract was approved by J. S. Maloney, insurance commissioner, and now has become effective. B. D. Brickhouse was president of the United Security; Dr. W. F. Chase, vice-president; L. L. Brickhouse, secretary, and E. N. Petit, treasurer.

Conservative Casualty Progress

The Conservative Casualty of Grand Island, Neb., which started business nearly two years ago, is making excellent progress. President A. C. Boyer reports an increase in business this year of 111 percent over that of last year. The company now has more than 100 agents in the field. It is writing non-cancellable policies only.

Made Field Superintendents

I. I. Whitt and E. H. Greenwell of the Louisville No. 1 district of the Washington Fidelity National have been promoted to field superintendencies in that office.

Weeks Wins Promotion

Elliott R. Weeks of the accident and health department of the Union Indemnity home office has been promoted to manager of the monthly payment division. Mr. Weeks has been connected with Union Indemnity since 1923. Until August, 1926, he was in charge of payroll auditing and safety engineering in

the Chicago office, when he was transferred to the home office at New Orleans.

Thigpen at Industrial Conference

The only speaker definitely secured so far for the annual meeting of the Industrial Insurers Conference, which will be held at Asheville, N. C., Oct. 17-19, is George H. Thigpen, superintendent of insurance for Alabama, who will select his own subject. As usual, one of the important features of the meeting will be the report of the statistical committee, of which Otis Grant, actuary of the Life & Casualty, is chairman. Raymond Daniel of Atlanta will again be in charge of the golf tournament.

J. R. Burroughs Resigns

J. R. Burroughs, district manager at Duluth, Minn., for the industrial department of the General Accident, who has built up there one of the most successful accident and health agencies of that company and has kept it up close to the top of the list in production at all times, has resigned because of his desire to live in a warmer climate. He is succeeded by W. H. Colburn. Mr. Burroughs is at present undecided as to his plans, but may take a contract with the company in another district.

National L. & A. Promotions

The National Life & Accident has placed Manager E. E. Bullock, formerly of Bryan, in charge of the newly created district in Houston, which will be known as Houston No. 3. Mr. Bullock will be located at 611 Main and McKinney building. D. W. Fagan and E. O. Morris have been promoted to managements at Bryan, Tex., and Topeka, Kan. R. B. Boles and C. M. Faucheu are now superintendents at Pine Bluff and New Orleans No. 2, respectively.

AMONG SURETY MEN

BOND HELD NOT IN EFFECT

**Surety Not Liable for Fraudulent Use
of Unapproved Contracts, Michigan
Court Rules**

LANSING, MICH., Aug. 1.—Companies writing bonds in conformity with state laws for licensed securities dealers may not be held liable for unauthorized use of such bonds when they have not been placed in effect through the action of the securities commission in licensing the holder and approving his bond, it was held by the Michigan Supreme Court in the case of Benjamin and Jennie Timmerman vs. Hartford Accident.

The Timmermans claimed that they were swindled of a considerable sum by one Bultman largely by reason of the fact that he showed them a \$10,000 bond issued by the company and stated that he had applied for license from the securities commission. This recital, in the opinion of the trial judge, was sufficient evidence of the company's responsibility and a judgment for \$2,846 was directed for plaintiffs.

The high tribunal reversed the lower court. In analyzing the facts in the case, the opinion stated:

"Statutory or official bonds made payable to the state cannot become effective until accepted by those duly authorized to accept them. . . . The bond, at the time Bultman employed it for fraudulent purposes, was no more than an offer or proposal of obligation by the surety in case Bultman was licensed. To constitute an executed bond, it required action by the commission, both as to licensing Bultman and acceptance of his bond. The surety company was guilty of no wrong or even want of ordinary care in delivering the bond to the principal to carry out the statutory purpose of its procurement. . . . Bonding and surety companies may sign and turn over to a principal a bond to fill stated purposes, requiring official approval, without be-

ing liable for fraudulent use of the bond by the principal."

No Liability on the Bond

A contractor who undertook to construct a school building executed a bond with a surety binding contractor to pay for all labor upon the building and for all material used therein in accordance with the provision in R. S. 60-1413. He contracted with a materialman to furnish stone for the building, cut and ready to set. The materialman purchased the stone from plaintiff, another stone company which fabricated and shipped it to the materialman, and it was used in the school building. The contractor paid materialman for the stone, but the latter did not pay plaintiff for it. Plaintiff brought action on the bond of the contractor to recover the price of the stone so procured and used in the building. Held, that there was no liability to plaintiff on the bond for the material which it sold to the materialman. Indiana Limestone Co. vs. Cuthbert, Sup. Ct. Kansas.

Question Bail Bond Ruling

LOS ANGELES, Aug. 1.—Judges of the superior bench in Los Angeles have decided that bail bonds no longer will be accepted from bonding companies delinquent in payment of forfeited bonds. It is reported that four bonding companies fall into this classification. Representatives of the companies involved immediately announced that they will seek a writ of mandamus in the Appellate Court in an attempt to learn if the Superior Court judges are within their rights in thus refusing to accept bonds furnished by them.

City Sues on Bond

ST. LOUIS, Aug. 1.—The city of St. Louis has filed suit against the American Surety on the surety bond furnished the Higgins-Wall-Dyer Company in conjunction with a contract for the construction of the first section of the River Des Peres project undertaken in 1924. The city seeks to collect the \$84,863 bond guaranteeing satisfactory performance of the contract, \$41,800 damages for delay to the project, interest since April 12, 1926, and costs.

The Higgins-Wall-Dyer Company's bid

for the work was almost \$100,000 below the next lowest bidder and considerably under the city's original estimate. The city contends that had the construction company completed the work in accordance with its contract the project would have cost the city \$294,265. However, it became necessary to award the unfinished portion of the work to another contractor and the city paid out \$358,344 in addition to the amount paid to the Higgins-Wall-Dyer Company.

Milwaukee Golf Tournament

MILWAUKEE, Aug. 1.—The Surety Underwriters Association of Milwaukee has held its next golf tournament at the Ozaukee Country club here on Aug. 10. Play will start early in the afternoon.

PERSONAL GLIMPSES OF CASUALTY MEN

Insurance Commissioner Joseph Button of Virginia has accepted the invitation of President Louis L. Graham of the International Claim Association to give the address of welcome at the annual meeting to be held at the Chamberlin-Vanderbilt hotel, Old Point Comfort, Va., Sept. 10-12. Colonel Button is secretary of the Insurance Commissioners Convention and is one of the best known state officials in the country.

Timothy E. Dunne, manager of the fidelity and surety department of the Union Indemnity at Chicago, was ordered to active duty in his grade as captain in the adjutant general's department, last Monday. He reported to Gen. Paul B. Malone, commanding general of the Sixth Corps area. Captain Dunne will be absent from his office for two weeks rendering service to the army.

Charles J. Johnson, 45, manager of the claim department of the National Surety in St. Louis, was drowned July 29 in the Black River at Centerville, Mo., 110 miles southeast of St. Louis, while bathing with his wife and a party of friends.

H. K. Remington of Philadelphia, vice-president of the Constitution Indemnity, visited the western department in Chicago last week, conferring with Blackwell & Douglass, the managers.

Harve G. Badgerow of Chicago, vice-president of the Continental Casualty in charge of its surety department, who went abroad with his wife and daughter in June to join another daughter who is a student of music in Paris, is touring the continent and is expected to be back at his office the latter part of August.

George L. Radcliffe, first vice-president of the Fidelity & Deposit and president of the American Bonding, recently marked the completion of his 15th year with the former organization and his 25th year with the bonding company.

In 1903 he joined the American Bonding as attorney and his advancement in this organization was rapid. In 1913 when the company was merged with the Fidelity & Deposit, he was its ranking vice-president.

Following the merger Mr. Radcliffe was named vice-president of the Fidelity & Deposit and placed in general supervision of the legal, claim and salvage departments. In 1924 when Charles R. Miller was elected president of the Fidelity & Deposit Mr. Radcliffe was elected its first vice-president.

E. R. Nuttle, vice-president Fidelity & Deposit, in charge of the production department, has been appointed chairman of the golf committee for the big casualty convention at White Sulphur Springs, the first week in October. Mr. Nuttle served as a member of the com-

mittee last year, the chairman being H. P. Jackson, president of the Norwich Union Indemnity. This is one of the hard working committees at White Sulphur inasmuch as the golf tournament is one of the big features of the week. The golf chairman takes charge of the playing arrangements, handicaps, awarding of prizes, etc. Mr. Nuttle is thoroughly competent to render the best service.

Writes New Blanket Bond

MILWAUKEE, Aug. 1.—A new bankers blanket bond for \$150,000 has been written by the Northwestern Casualty & Surety on the National Bank of Commerce here, which recently sustained a heavy loss by one of its tellers having embezzled several thousand dollars through the savings accounts. The former bond was for only \$50,000 and partly covered the loss of the bank. The loss was the first the bank had in 25 years of its operation.



E. R. NUTTLE
Golf Chairman for White Sulphur
Springs Convention

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H. G. B. Alexander, chairman of the board of the Continental Casualty of Chicago, will sail on a trip abroad starting next Monday. Herman A. Behrens, president of the company, who spends the summers at his place on the Pacific coast, was in Chicago during the week in conference with Mr. Alexander and other members of the official family prior to Mr. Alexander's departure. He will return to the coast to complete his vacation.

Wants Merit Rating Plan

SPOKANE, WASH., Aug. 1.—Clancy M. Lewis, secretary of the Washington Manufacturers' Association, asserts that the employer operating on a safe basis with few accidents is now penalized, and advocates changes in the state compensation laws which will provide for reduction of insurance charges for those manufacturers who operate their plants on a safe basis.

"A fixed mutual protection factor of between 15 and 20 percent should be levied against all payrolls according to the basic rate of the class in which they fall," according to a statement by Mr. Lewis. "To this factor should be added the average cost per \$100 of payroll for the previous two years of the individual operator. This would then determine his rate per \$100 of payroll for the ensuing year."

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J. L. PICKERING, President

Policyholders' Surplus Over \$375,000.00.

UNDERWRITING PUBLIC OFFICIALS EXPLAINED

(CONTINUED FROM PAGE 39)

tax collectors. The two latter classes should be developed to a greater extent, being particular to regard the tax collector's responsibility in respect of uncollected taxes, and also the depository feature."

There has been a very small volume of business on subordinates handling money, such as cashiers, clerks, etc. A larger volume of this business should be developed by calling on public officers, such as treasurers, convincing the treasurers of the need to bond their subordinate employees.

Found Very Hazardous

Peace officers' bonds have proven a very hazardous undertaking, says Mr. Wellner. If a peace officer makes a false arrest, or serves a warrant upon the wrong person, or employs unnecessary violence in making an arrest, he may be sued on his bond for damages. Even if the officer arrests a person for a petty crime and if a magistrate or jury acquits the person arrested of the charges, basis will have been furnished for a claim against the officer for damages growing out of injury to the individual's character. The Fidelity & Deposit's business on this class has been consistently unprofitable for years. The loss ratio in 1927 was 95.8 per cent. The company has made a special effort to select a high class of risks, but the loss ratio continues to mount. It has become necessary to promulgate a rule that applicants for bonds in this class must have sufficient financial responsibility to be able to respond on their own account, without loss to the surety in the event of claim. The basic requirement is that the applicant own unencumbered real estate worth double the penalty of the bond.

Defending Suits Costly

Suits are frequently brought against bonds of peace officers which have little foundation in fact and even if direct loss does not result, the company is put to the expense of defending the suits.

The bonds of all court officials, judges, court clerks, recorders of deeds, etc., have been highly unprofitable as a group. This type of official usually handles only small amounts of money. Because the receipts of the offices are irregular and usually in small amounts, it very frequently happens that these officials either maintain no books of account at all or else keep their accounts in very unsystematic fashion. In taking application for this kind of business, it

OVER and over again we hear it said: "This is the day of the specialist." Any plausible thing repeated often enough and with sufficient emphasis will find acceptance with a sufficient number of people to warrant the rest of the world in concluding that it really must be so. A generally accepted theory, therefore, is never a guarantee of the correctness of that theory.

In the world of insurance agents it was not an unusual thing 20 years ago to find an agency which did not write a single dollar in premium income in anything but fire insurance; another office cared for nothing except the life insurance wants of the community; still another man was an accident and health specialist and wrote no other line but that. Today you rarely find that specialist office confining itself to a single line of insurance. The specialist exists, but he exists as a department of a great whole and operates as a department of that great whole. Such is the progress perhaps of insurance service to the public.

Resistance in Early Days

Early in my career as an agency organizer for a casualty company I found great resistance in fire offices against the casualty business. It was looked upon as a dangerous thing to mix fire and casualty insurance. Years ago I found the same resistance in life insurance general agencies against all forms of casualty insurance and accident and health insurance. It was thought bad practice and bad policy to allow a life insurance

is necessary that the individuals be investigated and found to have splendid reputations for honesty and competency and that they be known to possess an adequate knowledge of bookkeeping. They should also agree to maintain satisfactory books of account.

Must Be Safeguarded

"The company must be safeguarded against depositary liability," says the booklet, "and the safest method to do this is to require the applicant to agree in writing that he will deposit no public funds in any bank unless such deposits be covered in full by corporate depositary bonds. In the absence of full depositary protection an adequate substitute must be afforded. In localities where no provisions are prescribed in

solicitor to devote a moment's time to anything except life insurance. That same spirit still exists in some offices in connection with life insurance, but the fire insurance general agencies today have recognized the possibilities and the necessities of expansion and the combination of specialists into the operation as a whole agency service. Perhaps competition has something to do with that.

Specialists Head Departments

Within the week I visited two large general agencies in the state of New York, both of which have been specialists in their time but both of which today have departments writing almost all forms of insurance. Each department is in charge of a specialist. Those specialists operate as a whole, each taking advantage of the possibilities handed out and developed by the other departments. Both offices are striving to become the insurance adviser in the entire field of insurance to the clientele which they serve. Both of these offices have within the past few years established life insurance departments which today work side by side with and in cooperation with the fire and the casualty departments of the office.

Life Men Write Accident and Health

More than 75 percent of the volume of accident and health insurance produced by my company in Chicago, where it maintains its largest agency producing accident and health business, is produced by life insurance writers. Those writers

regard to the manner or circumstances under which public funds are to be deposited in banks, a bank failure excluding clause may be used. If, however, the law of the community in general makes an official responsible for all funds coming into his hands as a public officer, the use of a bond containing a depositary exclusion clause might not relieve the company of liability in the event of a bank failure, even if no prescribed plan were set out in the law dictating the manner of depositing public funds in the bank.

"It must be borne definitely in mind that no exclusion placed in a public official bond can, in fact, exclude a liability which is imposed by law; nor is a bond void because it does not conform to the text of the law."

have recognized the advisability and the desirability of being something more than a single line producer. Almost every live life insurance man today admits and recognizes the possibility of the use of the accident and health business as a lock and key to the life insurance policy as sold. It affords a guarantee of the continuance of the premium during adversity rather than the resort to the cash surrender value or the paid-up insurance plan.

The three great divisions of insurance have all produced their great specialists, but never in the history of insurance have these three great divisions been closer in harmony and in cooperative effort, and never has the business necessity for such closeness of harmony and cooperative effort and work been required.

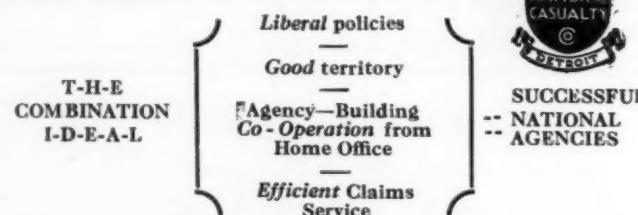
The insurance specialist, it may be true, has his place in this great business picture, but that business picture is being made into a group setting. No longer is the portrait of the individual member of the family the thing, for, business is recognizing the usefulness and the advisability of the family combination.

VIRGINIA RATE INQUIRY TO BE STARTED SEPT. 7

Sept. 7 has been fixed as the date for the opening of the inquiry by the Virginia state corporation commission into rates and rating methods of companies writing guaranty, indemnity, fidelity and surety lines to determine whether or not the rates are unfair, unreasonable, or discriminatory. Meanwhile, the commission will undertake to determine whether such lines as automobile liability, plate glass, burglary and the like come within the range of the term "indemnity." If these lines are held to be outside the meaning of that term they will not be subject to supervision as to rates. In a recent ruling, the commission held that only guaranty, indemnity, fidelity and surety lines came under its jurisdiction in the matter of rate fixing and regulation. At the same time it reserved its decision as to just what was meant by the term "indemnity." Briefs on the subject were to be filed by counsel this week with the commission.

Goan Made Field Assistant

Lloyd H. Goan has been made a field assistant in the Wisconsin field for the casualty department of the Travelers, according to an announcement by T. C. McLaughlin, manager of the casualty department at Milwaukee. Mr. Goan has just completed his ten weeks' course at the home office at Hartford. He was formerly director of social center activities in Milwaukee.



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